

AGENDA

Utah Counties Indemnity Pool Board of Directors Meeting

Friday, June 21, 2019, 8:30 a.m.

Capitol Reef Resort, 2600 E Hwy 24, Torrey, UT

8:30	Open Meeting, Pledge of Allegiance	Bruce Adams
ITEM	ACTION	
1.	Welcome and Introductions	Bruce Adams
2.	Review/Excuse Board Members Absent	Bruce Adams
3.	Review/Approve April 18 and May 2, 2019 Meeting Minutes	Mike Wilkins
4.	Ratification/Approval of Payments and Credit Card Transactions	Mike Wilkins
5.	Ratification of Final 2018 Audited Financial Statements	Mike Wilkins
6.	Review/Approve Nationwide Fixed Annuity Contract Amendment	William Cox
7.	Review/Approve WCF Insurance Joint Purchase Program Agreement	Johnnie Miller
8.	Review/Approve Excess Cyber Limit Increase	Johnnie Miller
9.	Review/Approve Board Meeting Rules of Order and Procedure Policy Amendments	Johnnie Miller
10.	Review/Approve Board Member Training Policy Amendments	Johnnie Miller
11.	Review/Approve Bylaws Coverage Addendum Amendments	Johnnie Miller
12.	Review/Approve GRAMA Policy Amendments	Sonya White
13.	Review/Approve Investment Policy Amendments	Sonya White
14.	Review/Approve Minutes Recordings and Records of Meetings Policy Amendments	Sonya White
15.	Review/Approve Personnel Policy Amendments	Johnnie Miller
16.	Review/Approve Personal Use of Public Property Policy	Johnnie Miller
17.	Review/Approve Purchasing Policy Amendments	Sonya White
18.	Review/Approve Records Retention Policy Amendments	Sonya White
19.	Review/Approve Underwriting Policy	Sonya White
20.	Review/Approve County Related Entities Membership	Mike Wilkins
21.	Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual	Bruce Adams
22.	Action on Personnel Matters	Bruce Adams
23.	Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation	Bruce Adams
24.	Action on Litigation Matters	Dale Eyre
	INFORMATION	
25.	Chief Executive Officer's Report	Johnnie Miller
26.	Other Business	Bruce Adams

Electronic Meeting Notice: 515-604-9807, Participant Passcode: 675642 Anchor Location: 2600 E Hwy 24, Torrey, UT

**BOARD OF DIRECTORS' MEETING
MINUTES**

April 18, 2019, 12:30 p.m.

UAC/UCIP Building, 5397 S Vine, Murray, Utah

BOARD MEMBERS PRESENT

Bruce Adams, *President*, San Juan County Commissioner
William Cox, *Vice President*, Rich County Commissioner
Deb Alexander, Davis County Human Resources Director
Blaine Breshears, Morgan County Sheriff
Dean Cox, Washington County Commissioner
Dale Eyre, Sevier County Attorney
Jim Kaiserman, Wasatch County Surveyor
Bob Stevenson, Davis County Commissioner
Mark Whitney, Beaver County Commissioner
Mike Wilkins, Uintah County Clerk/Auditor

**BOARD MEMBERS PRESENT
TELEPHONICALLY**

Karla Johnson, *Secretary/Treasurer*, Kane County Clerk/Auditor

BOARD MEMBERS ABSENT

Alma Adams, Iron County Commissioner
Scott Jenkins, Weber County Commissioner

OTHERS PRESENT

Johnnie Miller, UCIP Chief Executive Officer
Sonya White, UCIP Chief Financial Officer
Alex Getts, UCIP Education & Training Specialist
Phil Bell, County Reinsurance Limited
Lisa Dennison, By The Numbers Actuarial Consulting, Inc.

Call to Order

Bruce Adams called the meeting of the Utah Counties Indemnity Pool's Board of Directors to order at 12:30 p.m. on April 18, 2019 and welcomed those in attendance, including Phil Bell of County Reinsurance Limited (CRL) and Lisa Dennison of By The Numbers Actuarial Consulting (BYNAC). Adams led the Pledge of Allegiance.

Review/Excuse Board Members Absent

Jim Kaiserman made a motion to excuse Alma Adams and Scott Jenkins from this meeting. Deb Alexander seconded the motion, which passed unanimously.

Review/Approve February 21, 2019 Meeting Minutes

The draft minutes of the Board of Directors meeting held February 21, 2019 were previously sent to the Board Members for review (see attachment number one). Dean Cox made a motion to approve the February 21, 2019 Board of Directors meeting minutes as written. Bob Stevenson seconded the motion, which passed unanimously.

Ratification/Approval of Payments and Credit Card Transactions

Dean Cox reported that he had reviewed the payments made, the payments to be made and the credit card transactions of the Pool as of April 18, 2019 (see attachment number two). Dean Cox made a motion to approve the payments made, the payments to be made and the credit card transactions as presented. Bob Stevenson seconded the motion, which passed unanimously.

Actuarial Report—Review/Approve Actuarial Reserve Analysis

Lisa Dennison presented on the Actuarial Reserve Analysis for the year ending 2018 (see attachment number three). The findings of the estimated required reserves are expressed in terms of ranges that indicate the reliance on assumptions believed to be reasonable. The required reserves should be used for the financial statements. The reserves, including incurred but not reported (IBNR) loss, undiscounted for investment income and broken down by line of coverage for a total expected loss of \$9,270,000, an increase of \$374,688 from the prior year (page 3). Dennison provided exhibits from the analysis showing: 1) a comparison on the estimated retained losses by paid, case and IBNR, trending from 2005 to 2018 for all lines of coverages (page 6); 2) a comparison of the losses to the prior actuarial report (page 7); 3) the history of required reserves (page 65); and the historical profitability (page 68). Dennison reviewed the loss ratios (page 70) with the Board and reported that for every dollar spent in contributions, \$0.57 is spent on claims. The combined (losses plus expenses divided by member contributions) loss ratio of the Pool is 1.021. Reinsurance is UCIP's largest expense. Bob Stevenson asked why contributions decreased between the years 2012–2015. Johnnie Miller explained that Carbon, Tooele and Utah Counties left the Pool, resulting in the decrease of member contribution. Mike Wilkins made a motion to approve the 2018 Actuarial Reserve Analysis as presented. William Cox seconded the motion, which passed unanimously.

Audit Committee Report—Review/Approve 2018 Financial Audit

Mike Wilkins reported that the Audit Committee met with the independent auditors of Larson & Company to review the draft 2018 financial statements, independent auditor's report, required supplementary information and other independent auditor's reports of the Pool (see attachment number four). Wilkins reported that the auditors had no findings or recommendations over the compliance and internal controls of the Pool. Wilkins reported that the audit committee directed UCIP's Chief Financial Officer, Sonya White, to allocate short-term investments with long-term investments instead of cash on the cash and cash equivalents exhibit in the Management's Discussion and Analysis (page 8). UCIP's change in net position for 2018 is \$990,894 for a total net position of \$5,912,053. Karla Johnson made a motion to approve the 2018 Financial Audit as presented. Bob Stevenson seconded the motion, which passed unanimously.

Reinsurance Report—Review/Approve Property Plus Program

Phil Bell, Executive Director, County Reinsurance Limited (CRL), provided information about the Pool's member owned reinsurer (see attachment number five). Bell explained the reason behind and the benefits of a new CRL program for members called Property Plus. Property Plus will allow members to increase the value of their equity by taking an additional ten percent of the \$50 million, excess of \$3 million, property layer. Actuaries have evaluated loss information and structure options to facilitate pro-forma financial statements and member contribution examples, and Bell provided summary charts with the results. The goal of the CRL Board of Directors is to start the program on July 1, 2019 with a minimum of \$20 million member contributions necessary to fund the program. CRL already has commitments from four CRL members at a minimum of \$15 million. Johnnie Miller stated that money put into CRL Property Plus will add to the equity UCIP already owns. Mike Wilkins likened the creation of this program to the genesis of UCIP, wherein several counties provided subordinated debentures to start the Pool. Dean Cox asked whether the CRL Property Plus program was worth the risk to UCIP. Miller explained that the CRL Board and its Committees and actuaries have worked extensively with CRL staff to provide its members with this new program and option to earn additional equity with limited risk to the contributed equity. Bell explained the probability of success increases because with the efficient operation of CRL, it can realize higher operating income taking risk in the layer than the current reinsurers as CRL's administrative expense ratio is significantly lower than the standard market reinsurer. Cox stated that he would like to get an opinion from the Attorney General to confirm that the program complies with the Money Management Act. Dale Eyre explained that there would be no need to get an opinion from the Attorney General because UCIP would be paying contribution into CRL to self-insure property up to a layer of \$50 million instead of the current layer of \$3 million. Miller confirmed that the CRL Property Plus program is not an investment program regulated by the Money Management Act, but it is instead a program to retain additional risk to stabilize reinsurance costs and potentially increase operating results. Dean Cox asked

why UCIP doesn't take a higher self-insured retention with CRL. Miller explained that he has had the actuary and CRL look into options for the Pool to increase their current self-insured retention from \$250,000. Miller reported that in reviewing the potential savings of higher SIR options, the risk to UCIP equity did not offset the potential premium savings. Miller indicated he would work with the actuary and CRL to present higher SIR options to the Board at their next meeting. Miller explained that the CRL Property Plus program allows UCIP to retain additional risk, but at a higher level of loss which significantly reduces the risk to UCIP, which protects UCIP's equity much better than retaining risk at a lower loss level. Miller explained that from a liquidity standpoint, UCIP is in a position to contribute \$500,000 to the CRL Property Plus program. Dean Cox asked to confirm the current UCIP assets to determine if contributing additional equity in CRL would create a liquidity concern. Miller referred back to the financial audit reports which showed total current (liquid) assets of \$13,811,044 at year's end, and as \$5,912,053 was net equity and another \$9,350,613 was reserved for claims, much of which was reserves for liability claims which will take many years to be paid out, which is the basis of his belief that UCIP could contribute \$500,000 to CRL Property Plus without liquidity concerns, and that the board could consider an even higher amount of contribution without liquidity concern. The program would also provide a new revenue source when dividends are paid to CRL Property Plus participants. Contributions would be shown as a long-term investment on UCIP's financial statements, along with the other equity UCIP has in CRL. Bob Stevenson questioned whether or not this is a good time for UCIP to contribute to the Property Plus program. Miller explained that with the additional gains in UCIP's Net Position over that last two to three years, taking some additional risk of the type created by participating in CRL Property Plus conforms with the Board's current Asset Management Plan to increase UCIP's Net Position, where that was not the case five years ago when UCIP had lower leverage ratios. Miller explained that many of the CRL members have requested that the CRL Board research options for members to benefit by the profitability of CRL and the creation of this program answers those requests. Dean Cox stated that he was uncomfortable making a decision at this time. Mark Whitney stated that he was comfortable with the program, but felt it was fair for the new Board members to be able to review all the pertinent information before voting on the matter. Bob Stevenson made a motion to contribute a minimum \$500,000 up to a maximum \$1,000,000 toward the CRL Property Plus program, pending Board approval to join the program. Mark Whitney seconded the motion, which passed unanimously.

Review/Approve Excess Crime Limit Increase

Johnnie Miller reported on the Excess Crime Limit Increase (see attachment number six). Since the last meeting, Miller was able to meet with the Money Management Council regarding their interpretation of the limit counties must have for crime coverage. The Council determined that the limit is based on all monies handled through the office of the Treasurer, including taxes collected, deposited in fiduciary accounts and then distributed to other taxing entities. Pursuant to this determination, Miller reported that Davis, Weber and Washington Counties would need \$10 million limits for crime coverage. Miller recommended increasing UCIP's current excess crime policy, for all members, to \$10 million by securing an additional excess crime policy providing \$7,500,000 excess of the current \$2,500,000 policy, at the quoted premium of \$31,702 annually. Dean Cox made a motion to approve increasing the Excess Crime Limit for all UCIP members to \$10 million by securing the quoted policy of Great American Insurance as presented. Deb Alexander seconded the motion, which passed unanimously.

Review/Approve First Quarter 2019 Financial Statements

Sonya White presented the first quarter 2019 financial statements to the Board (see attachment number seven). White reported that at the end of the first quarter, as stated on the Balance Sheet, assets totaled \$17 million, an increase of \$4 million from the prior quarter due to 2019 member contributions received. Investments increased \$350,000 from the year ended 2018 due to the equity increase in County Reinsurance Limited and the reclassification of long-term to short-term investments. Total assets of the Pool at quarter end are \$21,432,472. Liabilities of the Pool include loss reserves, accrued expenses, unearned contributions and pension liabilities. The detail of income and expense on the Income Statement indicates total Net Position of the Pool at quarter end of \$6,630,595, a change of \$718,541 from year ended 2018. The cash effects during the reporting period are reported on the Statement of Cash Flows. Cash and cash equivalents at the end of the first quarter 2019 was \$15,681,663. Mike Wilkins made a motion to approve the 2019 First Quarter Financial Statements as presented. William Cox seconded the motion, which passed unanimously.

Review/Approve Bylaws Amendment—Late Contribution Payment

Johnnie Miller reported on the Bylaws Amendment—Late Contribution Payment (see attachment number eight). Miller reported that at the February 21, 2019 meeting, the Board waived late fees accrued by members not paying their contribution timely. The Board directed an implementation of a minimum late fee of \$10.00. Dean Cox made a motion to approve the Bylaws Amendment—Late Contribution Payment as presented. Deb Alexander seconded the motion, which passed unanimously.

Review/Approve Utah County Access to LocalGovU Agreement

Johnnie Miller reported that he had not heard from Utah County regarding access to LocalGovU by agreement. Miller suggested this item be addressed when the commission responds to the proposed agreement.

Review/Approve County Related Entities Membership

Mike Wilkins provided a membership application summary report for the Multi-County Appraisal Trust (see attachment number nine). Upon the recommendation of the Membership Committee and UCIP staff, Karla Johnson made a motion to approve the membership of the Multi-County Appraisal Trust in the Utah Counties Indemnity Pool. Dale Eyre seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

Deb Alexander made a motion to Set Date and Time for a Closed Meeting to Discuss Pending or Reasonably Imminent Litigation on Thursday, April 18, 2019 at 2:55 p.m. Dale Eyre seconded the motion, which passed unanimously. Board Members participating in the closed meeting were: Bruce Adams, William Cox, Karla Johnson, Deb Alexander, Blaine Breshears, Dean Cox, Dale Eyre, Jim Kaiserman, Bob Stevenson, Mark Whitney, and Mike Wilkins. Also present were: Johnnie Miller, Sonya White, Alex Getts, and Phil Bell.

The regular meeting resumed on Thursday, April 18, 2019, at 3:20 p.m.

Action on Litigation Matters

Dale Eyre made a motion authorizing an offer of judgement in the matter of MIL0001002016 in the amount of \$301,000. Deb Alexander seconded the motion, which passed unanimously.

Dale Eyre made a motion authorizing payment in the matter of GAR00000032019 in the amount discussed during the closed session to discuss pending or reasonably imminent litigation. Mike Wilkins seconded the motion, which passed unanimously.

Garfield County Data Ransom Claim

This Agenda item was discussed during the closed session to discuss pending or reasonably imminent litigation.

AGRIP Governance and Leadership Conference Report

Dale Eyre and Karla Johnson reported on the AGRIP Governance and Leadership Conference, which was held in St. Louis, MO March 3-6, 2019. Johnson reported on training sessions she attended, one specifically involving computer risk and the danger it poses to voter fraud. Eyre reported that the information was timely and stressed the need to pay attention to what is happening in the market. Eyre also took note of the preparation other Pool board members put into their meetings.

Chief Executive Officer's Report

Johnnie Miller provided the Board with historical industry financial ratios (see attachment number 11):

- UCIP's net contribution to surplus ratio is currently at 75%. This ratio has decreased from a high in 2014 of 135%. Industry recommended is 200% or lower.
- UCIP's retention to surplus ratio is currently at four percent. Industry recommended is 10% or lower.
- UCIP's reserves to surplus ratio is currently at 158%. This ratio has decreased from a high in 2014 of 351%. Industry recommended is 300% or lower.
- UCIP's loss ratio including IBNR (incurred but not reported losses) is currently 55%. Industry recommended is 100% or lower.
- UCIP's combined loss ratio is 99%. Industry recommended is 100% or lower.

Non-equity member contributions have more than doubled since the Pool expanded eligibility. Unfortunately, the loss ratio for non-equity members has more than tripled from 56.4% in 2014 to 184.1% in 2018 for a five-year combined loss ratio of 94.5%.

Johnnie Miller reported that he and Sonya White met with WCF Insurance representatives for UCIP's joint purchase program annual report. Miller summarized the report for the Board showing charted claims frequency and cost trending, claims frequency by type of injury and cost, the two-year comparison by member frequency and cost. WCF Insurance has announced an eight percent dividend to members in 2019, based on audited 2018 premium.

Johnnie Miller reported to the Board current projects he and staff are working on:

- Working with the County Attorneys Association and the Governor's Office to draft a personal use policy in response to HB163.
- Board Strategic Planning Session preparation.
- Developing the Statewide Fraud Hotline.
- Training Workshops Preparation (Facility Management, Fair and Events, Human Resources, Planning and Zoning, Risk Management).
- 2020 Underwriting Process

Strategic Planning Schedule Review

Sonya White presented the Board with a tentative schedule for the Board Strategic Planning sessions that will be held June 19-21, 2019 at the Capitol Reef Resort in Wayne County.

Set Date and Time for Closed Meeting

Deb Alexander made a motion to Set Date and Time for a Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual on Thursday, April 18, 2019 at 3:53 p.m. Dale Eyre seconded the motion, which passed unanimously. Board Members participating in the closed meeting were: Bruce Adams, William Cox, Karla Johnson, Deb Alexander, Blaine Breshears, Dean Cox, Dale Eyre, Bob Stevenson, Mark Whitney and Mike Wilkins.

The regular scheduled meeting resumed on April 18, 2019, at 4:35 p.m.

Action on Personnel Matters

Bob Stevenson made a motion to approve a salary of \$210,000 annually for the Chief Executive Officer of the Pool, Johnnie Miller, effective July 1, 2019. Deb Alexander seconded the motion, which passed unanimously.

Other Business

The next meeting of the Board of Directors will be held Friday, June 21, 2019 at 8:30 a.m. at the Capitol Reef Resort, 2600 E Highway 24, Torrey, Utah.

Bob Stevenson made a motion to adjourn the meeting of the Utah Counties Indemnity Pool Board of Directors at 4:40 p.m. on April 18, 2019. Deb Alexander seconded the motion, which passed unanimously.

Prepared by:

Sonya White, UCIP Chief Financial Officer

Submitted on this _____ day of _____ 2019

Karla Johnson, Secretary/Treasurer

Approved on this _____ day of _____ 2019

Bruce Adams, President

**BOARD OF DIRECTORS' TELEPHONIC CONFERENCE
MINUTES**

May 2, 2019, 12:30 p.m.

**BOARD MEMBERS
PARTICIPATING**

Bruce Adams, *President*, San Juan County Commissioner
William Cox, *Vice President*, Rich County Commissioner
Alma Adams, Iron County Commissioner
Dean Cox, Washington County Commissioner
Dale Eyre, Sevier County Attorney
Jim Kaiserman, Wasatch County Surveyor
Bob Stevenson, Davis County Commissioner
Mark Whitney, Beaver County Commissioner
Mike Wilkins, Uintah County Clerk/Auditor

**BOARD MEMBERS UNABLE
TO PARTICIPATE**

Deb Alexander, Davis County HR Director
Blaine Breshears, Morgan County Sheriff

BOARD MEMBERS ABSENT

Karla Johnson, *Secretary/Treasurer*, Kane County Clerk/Auditor
Scott Jenkins, Weber County Commissioner

OTHERS PARTICIPATING

Johnnie Miller, UCIP Chief Executive Officer
Sonya White, UCIP Chief Financial Officer
Alex Getts, UCIP Education & Training Specialist

Call to Order

Bruce Adams called the telephonic conference of the Utah Counties Indemnity Pool's Board of Directors to order at 12:30 p.m. on May 2, 2019 and welcomed those participating.

Review/Excuse Board Members Absent

Mike Wilkins made a motion to excuse Deb Alexander and Blaine Breshears from this meeting. Alma Adams seconded the motion, which passed unanimously.

Review/Approve CRL Property Plus Participation Agreement

The draft County Reinsurance Limited (CRL) Separate Account Participation Agreement was previously sent to the Board Members for review (see attachment number one). Johnnie Miller explained that CRL is requesting the signed agreement, from all CRL members who will participate in the Property Plus program, by May 8 in order to provide it to the Vermont Department of Insurance, the state where CRL is domiciled. The CRL Board plans to approve the agreements at their May 15 meeting. Miller has reviewed the agreement and has spoken with several Pool Directors, who have reviewed the agreement along with their legal counsels and found nothing objectionable. Miller reported that all agreements and funding requisite to start the CRL Property Plus program be committed by June 3, which falls before the next UCIP Board Meeting. Miller recommended that the Board approve the Chief Executive Officer or Board President to enter into the agreement and for the Board to determine the amount that UCIP will contribute to the program. Jim Kaiserman made a motion to approve the Chief Executive Officer or Board President to enter into the County Reinsurance Limited Separate Account Participation Agreement allowing UCIP to participate in the CRL Property Plus program. Mike Wilkins seconded the motion, which passed, Dean Cox opposed.

Mike Wilkins made a motion to approve UCIP contributing \$500,000 to participate in the County Reinsurance Limited Property Plus program. Jim Kaiserman seconded the motion, which passed unanimously.

Review/Approve Amendment to 2018 Audited Financial Statements

Amendments to the 2018 audited financial statements were previously sent to the Board Members for review (see attachment number two). Sonya White explained that County Reinsurance Limited (CRL) provided its members with their final audited equity allocations on April 30, 2019. CRL had previously provided a draft of the allocations that White used to book in the financial statements. In previous years, the draft has matched the final. For 2018, the draft stated an increase of \$39,775 in UCIP's equity in CRL. The final stated an increase of \$98,921. White confirmed with the independent auditors of Larson & Company that the audit can be amended to show the change in the increase in CRL equity. This change will increase the net position of UCIP from \$5,912,053 to \$5,971,199 at year end 2018. Mike Wilkins made a motion to accept the changes as recommended. Alma Adams seconded the motion, which passed unanimously.

Review WCF Insurance Joint Purchase Program

Johnnie Miller reported that the WCF Insurance Joint Purchase Program has worked well for UCIP and rarely receives concerns regarding how claims and safety services are handled. Miller reported receiving a call from Blake Green, UCIP's primary WCF account manager, on Friday, April 26, informing him that WCF has had difficulty with brokers selling business for them since WCF has internal salespeople, like Green and his staff. WCF has announced that they will no longer write business internally. Northern Utah accounts will be taken over by Morton & Associates and Southern Utah accounts will be taken over by Dixie Leavitt Insurance. Green informed Miller that effective June 1, he will begin working for Morton & Associates, who will administer UCIP's account. Miller expressed concerns that this decision by WCF may cause a disruption for UCIP members as well as giving Morton an opportunity to market other products to UCIP members. Miller reported that he met with Ray Pickup, President of WCF Insurance, on Monday, April 29 and reiterated these concerns. Miller contacted Arthur J. Gallagher and Marsh but those brokers had already been told by WCF that they would not accept any broker of record letters from any other brokers. Miller requested an exception be made by WCF for UCIP, which Pickup denied based on contractual obligations they already have in place with Morton and Leavitt. The option Pickup presented to Miller was that an agreement would be drafted between UCIP and WCF clarifying that Morton is WCF's service provider, not UCIP's broker, and that WCF will assure Morton will not market any of their products to UCIP members. The agreement will also clarify that Green and his staff will have sole restricted access to information on the UCIP account and will continue to administer the UCIP account. Miller stated that this option provides the least amount of disruption for UCIP members, who will continue working with the same staff and receive the same coverage as they have heretofore received. Dean Cox stated that Washington County is a client of Morton & Associates as an alternative to PTIF investments and asked if this new arrangement would affect their account. Miller stated that he would see that the agreement strictly regards insurance products and services and would not affect investment services and accounts managed by Morton. Cox asked whether this new arrangement would cost UCIP additional funding. Miller reported that the new arrangement would have no effect on costs to UCIP or its members. Bob Stevenson made a motion directing UCIP staff to proceed with an agreement with WCF as presented. Mike Wilkins seconded the motion, which passed unanimously.

Other Business

The next meeting of the Board of Directors will be held Friday, June 21, 2019 at 8:30 a.m. at the Capitol Reef Resort, 2600 E Highway 24, Torrey, Utah.

Bob Stevenson made a motion to adjourn the telephonic conference of the Utah Counties Indemnity Pool Board of Directors at 1:00 p.m. on May 2, 2019. Mike Wilkins seconded the motion, which passed unanimously.

Prepared by: _____

Sonya White, UCIP Chief Financial Officer

Submitted on this _____ day of _____ 2019

Karla Johnson, Secretary/Treasurer

Approved on this _____ day of _____ 2019

Bruce Adams, President

Utah Counties Indemnity Pool

**FINANCIAL STATEMENTS, INDEPENDENT AUDITOR'S REPORT, REQUIRED
SUPPLEMENTARY INFORMATION AND OTHER INDEPENDENT AUDITOR'S REPORTS**

For the Year Ended December 31, 2018



UTAH COUNTIES INDEMNITY POOL

Management's Discussion and Analysis

(Unaudited)

Year Ended December 31, 2018

Investments

As a governmental subdivision regulated by the Money Management Council (MMC), UCIP invests the majority of funds in the Public Treasurers' Investment Fund (PTIF). Utilizing this "safe harbor" for compliance with the Money Management Act also provides UCIP significant liquidity and protection of capital in its invested assets. In 2018, UCIP created a new restricted account in the PTIF to comply with the MMC's Rule 4 for Interlocal Agencies providing crime insurance. \$125,000 equals 50% of the per occurrence limit of crime coverage.

In 2011, UCIP moved \$2,000,000 of invested funds to Zions Capital Advisors in anticipation of increasing investment rates. While investments with Zions Capital Advisors outperformed the PTIF by a small amount in 2018 and 2017, it is anticipated these investments will outpace the PTIF more significantly as the market strengthens.

Equity investments consist of equity ownership in County Reinsurance Limited (CRL), a property and liability reinsurance pool of county-based pools across the United States. UCIP is a member of CRL.

The condensed statements of cash and cash equivalents and investments for the years ended 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>	<u>Net Change</u>
Cash and cash equivalents:			
Cash on deposit	\$ 4,820,193	\$ 3,649,685	\$ 1,170,509
Public Treasurers' Investment Fund	8,602,694	6,655,839	1,946,855
Zions Capital Advisors	90,988	99,424	(8,436)
Total cash and cash equivalents	<u>13,513,875</u>	<u>10,404,947</u>	<u>3,108,927</u>
Investments:			
Investments - U.S. government securities	495,304	1,846,876	(1,351,572)
Equity investment in County Reinsurance Limited	2,190,787	2,151,012	39,775
Total investments	<u>2,686,091</u>	<u>3,997,888</u>	<u>(1,311,797)</u>
Total cash and cash equivalents and investments	<u>\$16,199,966</u>	<u>\$14,402,835</u>	<u>\$ 1,797,129</u>

Financial Position

The Net Asset Management Policy was adopted by the Board to actively manage UCIP's net position between 50-250% of annual revenue. The Policy provides that when net position exceeds 250% of annual revenue, the Board shall issue dividends unless the Board has specific needs for such surplus as described in the Net Asset Management Policy. Dividends may be issued as Experience Dividends, Equity Dividends and/or Member in Good Standing Dividends based on the UCIP Dividend Policy. Based on the 2018 member contributions of \$6,124,167, the surplus (net position) to contributions (revenue) ratio at year end 2018 was within the Net Asset Management Policy and industry standards.

UTAH COUNTIES INDEMNITY POOL

Management's Discussion and Analysis

(Unaudited)

Year Ended December 31, 2018

Investments

As a governmental subdivision regulated by the Money Management Council (MMC), UCIP invests the majority of funds in the Public Treasurers' Investment Fund (PTIF). Utilizing this "safe harbor" for compliance with the Money Management Act also provides UCIP significant liquidity and protection of capital in its invested assets. In 2018, UCIP created a new restricted account in the PTIF to comply with the MMC's Rule 4 for Interlocal Agencies providing crime insurance. \$125,000 equals 50% of the per occurrence limit of crime coverage.

In 2011, UCIP moved \$2,000,000 of invested funds to Zions Capital Advisors in anticipation of increasing investment rates. While investments with Zions Capital Advisors outperformed the PTIF by a small amount in 2018 and 2017, it is anticipated these investments will outpace the PTIF more significantly as the market strengthens.

Equity investments consist of equity ownership in County Reinsurance Limited (CRL), a property and liability reinsurance pool of county-based pools across the United States. UCIP is a member of CRL.

The condensed statements of cash and cash equivalents and investments for the years ended 2018, 2017, and 2016 with comparative information for 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>	<u>Net Change</u>	<u>2016</u>
Cash and cash equivalents:				
Cash on deposit	\$ 3,219,934	\$ 3,649,685	\$ (429,750)	\$ 2,067,027
Public Treasurers' Investment Fund	8,602,694	6,655,839	1,946,855	6,190,423
Zions Capital Advisors	90,988	99,424	(8,436)	36,261
Total cash and cash equivalents	<u>11,913,616</u>	<u>10,404,947</u>	<u>1,508,668</u>	<u>8,293,711</u>
Investments:				
Investments - U.S. government securities	2,095,563	1,846,876	248,687	2,086,198
Equity investment in County Reinsurance Limited	2,249,933	2,151,012	98,921	2,049,154
Total investments	<u>4,345,496</u>	<u>3,997,888</u>	<u>347,608</u>	<u>4,135,352</u>
Total cash and cash equivalents and investments	<u>\$16,259,112</u>	<u>\$14,402,835</u>	<u>\$ 1,856,275</u>	<u>\$12,429,063</u>

Financial Position

The Net Asset Management Policy was adopted by the Board to actively manage UCIP's net position between 50-250% of annual revenue. The Policy provides that when net position exceeds 250% of annual revenue, the Board shall issue dividends unless the Board has specific needs for such surplus as described in the Net Asset Management Policy. Dividends may be issued as Experience Dividends, Equity Dividends and/or Member in Good Standing Dividends based on the UCIP Dividend Policy. Based on the 2018 member contributions of \$6,124,167, the surplus (net position) to contributions (revenue) ratio at year end 2018 was within the Net Asset Management Policy and industry standards.

UTAH COUNTIES INDEMNITY POOL

Statement of Net Position

As of December 31, 2018

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 11,913,616
Short-term investments	1,600,259
Accounts receivable	1,987
Prepaid expenses	<u>295,182</u>
TOTAL CURRENT ASSETS	13,811,044

INVESTMENTS

2,686,091

PROPERTY AND EQUIPMENT

542,719

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	<u>142,815</u>
---------------------------------------	----------------

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 17,182,669</u></u>
--	-----------------------------

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Reserves for losses and loss adjustment expenses	\$ 9,350,613
Accrued expenses	117,156
Contributions paid in advance	<u>1,547,876</u>
TOTAL CURRENT LIABILITIES	11,015,645

NONCURRENT LIABILITIES

Net pension liability	170,270
-----------------------	---------

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	<u>84,701</u>
--------------------------------------	---------------

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	11,270,616
--	------------

NET POSITION

Net investment in capital assets	542,719
Unrestricted	<u>5,369,334</u>
TOTAL NET POSITION	<u>5,912,053</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 17,182,669</u></u>
--	-----------------------------

The notes to the financial statements are an integral part of this statement

UTAH COUNTIES INDEMNITY POOL

Statement of Net Position

As of December 31, 2018

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 11,913,616
Short-term investments	1,600,259
Accounts receivable	1,987
Prepaid expenses	<u>295,182</u>
TOTAL CURRENT ASSETS	13,811,044

LONG-TERM INVESTMENTS 2,745,237

PROPERTY AND EQUIPMENT 542,719

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	<u>142,815</u>
---------------------------------------	----------------

TOTAL ASSETS AND
DEFERRED OUTFLOWS OF RESOURCES \$ 17,241,815

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Reserves for losses and loss adjustment expenses	\$ 9,350,613
Accrued expenses	117,156
Contributions paid in advance	<u>1,547,876</u>
TOTAL CURRENT LIABILITIES	11,015,645

NONCURRENT LIABILITIES

Net pension liability	170,270
-----------------------	---------

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	<u>84,701</u>
--------------------------------------	---------------

TOTAL LIABILITIES AND
DEFERRED INFLOWS OF RESOURCES 11,270,616

NET POSITION

Net investment in capital assets	542,719
Unrestricted	<u>5,428,480</u>
TOTAL NET POSITION	<u>5,971,199</u>

TOTAL LIABILITIES, DEFERRED INFLOWS
OF RESOURCES AND NET POSITION \$ 17,241,815

The notes to the financial statements are an integral part of this statement

UTAH COUNTIES INDEMNITY POOL
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2018

OPERATING INCOME	
Contributions	\$ 6,124,167
Investment Income	361,094
Other Income	24,208
TOTAL OPERATING INCOME	<u>6,509,469</u>
UNDERWRITING EXPENSES	
Losses and Loss Adjustment Expenses	2,818,293
Reinsurance Coverage	1,702,872
TOTAL UNDERWRITING EXPENSES	<u>4,521,165</u>
ADMINISTRATION EXPENSES	
Directors	31,501
Depreciation	2,342
Risk Management	55,772
Public Relations	20,424
Office	98,382
Financial/Professional	90,543
Personnel	695,867
TOTAL ADMINISTRATION EXPENSES	<u>994,831</u>
TOTAL OPERATING EXPENSES	<u>5,515,996</u>
NET OPERATING INCOME	993,473
OTHER INCOME/(EXPENSES)	
Unrealized Loss on Marketable Securities	(2,579)
TOTAL OTHER EXPENSES	<u>(2,579)</u>
CHANGE IN NET POSITION	990,894
NET POSITION AT BEGINNING OF YEAR	<u>4,921,159</u>
NET POSITION AT END OF YEAR	<u><u>\$ 5,912,053</u></u>

The notes to the financial statements are an integral part of this statement

UTAH COUNTIES INDEMNITY POOL
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2018

OPERATING INCOME	
Contributions	\$ 6,124,167
Investment Income	420,240
Other Income	<u>24,208</u>
TOTAL OPERATING INCOME	6,568,615
UNDERWRITING EXPENSES	
Losses and Loss Adjustment Expenses	2,818,293
Reinsurance Coverage	<u>1,702,872</u>
TOTAL UNDERWRITING EXPENSES	4,521,165
ADMINISTRATION EXPENSES	
Directors	31,501
Depreciation	2,342
Risk Management	55,772
Public Relations	20,424
Office	98,382
Financial/Professional	90,543
Personnel	<u>695,867</u>
TOTAL ADMINISTRATION EXPENSES	<u>994,831</u>
TOTAL OPERATING EXPENSES	<u>5,515,996</u>
NET OPERATING INCOME	1,052,619
OTHER INCOME/(EXPENSES)	
Unrealized Loss on Marketable Securities	<u>(2,579)</u>
TOTAL OTHER EXPENSES	<u>(2,579)</u>
CHANGE IN NET POSITION	1,050,040
NET POSITION AT BEGINNING OF YEAR	<u>4,921,159</u>
NET POSITION AT END OF YEAR	<u><u>\$ 5,971,199</u></u>

The notes to the financial statements are an integral part of this statement

UTAH COUNTIES INDEMNITY POOL

Statement of Cash Flows

For the Year Ended December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Contributions collected	\$ 6,602,701
Other fees collected	24,208
Reinsurance paid	(1,748,005)
Losses and loss expenses paid	(2,443,605)
Cash paid to employees	(745,623)
Other administrative expenses paid	(296,622)
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	<u>1,393,054</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(295,051)
Sale of investments	200,000
Investment income	323,898
Purchase of capital assets	88,238
NET CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	<u>317,084</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,710,138
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>10,203,478</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 11,913,616</u>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Change in net position	\$ 990,894
Adjustments to reconcile change in net position to net cash flows used by operating activities	
Depreciation	2,342
Interest on investments	(321,319)
Increase in equity in CRL	(39,775)
Net outflows of resources relating to pension	(66,796)
Unrealized gain on investments	2,579
Accounts receivable	(1,987)
Reserves for loss and loss adjustment expenses	374,688
Accrued expenses	17,040
Contributions paid in advance	480,521
Total adjustments	<u>402,160</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,393,054</u>

The notes to the financial statements are an integral part of this statement

UTAH COUNTIES INDEMNITY POOL

Statement of Cash Flows

For the Year Ended December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Contributions collected	\$ 6,602,701
Other fees collected	24,208
Reinsurance paid	(1,748,005)
Losses and loss expenses paid	(2,443,605)
Cash paid to employees	(745,623)
Other administrative expenses paid	(296,622)
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	<u>1,393,054</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(295,051)
Sale of investments	200,000
Investment income	323,898
Purchase of capital assets	88,238
NET CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	<u>317,084</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,710,138
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>10,203,478</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 11,913,616</u>
RECONCILIATION OF CHANGE IN NET POSITION	
TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Change in net position	\$ 1,050,040
Adjustments to reconcile change in net position	
to net cash flows used by operating activities	
Depreciation	2,342
Interest on investments	(321,319)
Increase in equity in CRL	(98,921)
Net outflows of resources relating to pension	(66,796)
Unrealized gain on investments	2,579
Accounts receivable	(1,987)
Prepaid expenses	(45,133)
Reserves for loss and loss adjustment expenses	374,688
Accrued expenses	17,040
Contributions paid in advance	480,521
Total adjustments	<u>343,014</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,393,054</u>

The notes to the financial statements are an integral part of this statement

UTAH COUNTIES INDEMNITY POOL

Member Equity Calculation

County	2019 Premium	Total				Net Equity	Percentage Net Equity to 2019 Premium
		Premium	Equity	WC Deficit	Dividend Rcvd		
Beaver	\$ 167,036	\$ 2,384,892	\$ 213,741	(\$ 50,930)	\$ 7,152	\$ 155,659	93.2%
Box Elder	324,196	5,781,069	604,905	(133,938)	4,561	466,406	143.9%
Daggett	51,067	1,003,515	63,886	(33,220)	500	30,166	59.1%
Davis	847,278	12,697,653	1,137,282	(305,179)	10,836	821,267	96.9%
Duchesne	282,746	3,686,063	335,898	(95,294)	2,616	237,988	84.2%
Emery	200,171	4,951,968	587,444	(127,706)	3,096	456,642	228.1%
Garfield	139,404	2,457,889	228,707	(49,426)	7,397	171,884	123.3%
Iron	328,734	5,356,876	544,036	(122,339)	5,303	416,394	126.7%
Juab	147,955	2,877,343	283,380	(87,900)	7,088	188,392	127.3%
Kane	175,900	2,721,542	229,087	(61,285)	2,534	165,268	94.0%
Millard	257,275	4,186,703	363,918	(113,026)	3,850	247,042	96.0%
Morgan	74,192	1,031,306	34,446	(39,796)	500	(5,850)	(7.9%)
Piute	33,153	594,917	54,213	(18,775)	1,392	34,046	102.7%
Rich	39,832	1,117,409	111,528	(35,596)	737	75,195	188.8%
San Juan	218,922	4,520,304	423,171	(121,603)	4,030	297,538	135.9%
Sanpete	178,462	2,610,047	281,166	(52,586)	1,868	226,712	127.0%
Sevier	217,414	3,212,315	278,633	(67,396)	2,892	208,345	95.8%
Uintah	403,289	6,926,772	644,954	(152,578)	11,127	481,249	119.3%
Wasatch	294,558	5,201,735	448,509	(154,015)	4,424	290,070	98.5%
Washington	600,314	7,986,842	708,385	(185,871)	6,812	515,702	85.9%
Wayne	47,461	1,240,859	123,248	(32,616)	1,613	89,019	187.6%
Weber	1,233,708	13,253,999	774,648	(372,087)	500	402,061	32.6%
Total	\$6,263,067	\$95,802,017	\$8,475,185	(2,413,158)	\$ 90,828	\$5,971,199	95.3%

Utah Retirement Systems
Final Condensed Retirement Contribution Rate Guide
Fiscal Year July 1, 2019 - June 30, 2020

	Tier 1 DB System			Tier 1 Post Retired		Tier 2 - DB Hybrid System				Tier 2 - DC Plan			
	Contribution Reporting Fields			Post Retired Employment after 6/30/2010 - NO 401(k) Amortization of UAAL**	Post Retired Employment before 7/1/2010 Optional 401(k) Cap	Contribution Reporting Fields				Contribution Reporting Fields			
	Tier 1 2019-2020 RATES					Tier 2 2019-2020 RATES				Tier 2 2019-2020 RATES			
	Employee	Employer	TOTAL			Tier 2 Fund	Employer	401(k)	TOTAL	Tier 2 Fund	Employer	401(k)	TOTAL
Public Employees													
Contributory Retirement System													
11- Local Government	6.00	14.46	20.46	8.37	12.09	111	17.42	1.03	18.45	211	8.45	10.00	18.45
12- State and School ¹	6.00	17.70	23.70	12.25	11.45								
17- Higher Education	6.00	17.70	23.70	12.25	11.45								
Public Employees													
Noncontributory Retirement System													
15- Local Government	-	18.47	18.47	6.61	11.86	111	15.66	1.03	16.69	211	6.69	10.00	16.69
16- State and School ¹	-	22.19	22.19 *	9.94	12.25	112	18.99	1.03	20.02	212	10.02	10.00	20.02
18- Higher Education	-	22.19	22.19 *	9.94	12.25	117	18.99	1.03	20.02	217	10.02	10.00	20.02
Public Safety													
Contributory Retirement System													
Division A													
23- Other Division A With 2.5% COLA	12.29	22.79	35.08	11.77	23.31	122	23.15	0.70	23.85	222	11.85	12.00	23.85
77- Other Division A With 4% COLA	12.29	24.37	36.66	12.93	23.73	122	24.31	0.70	25.01	222	13.01	12.00	25.01
Division B													
29- Other Division B With 2.5% COLA	10.50	22.81	33.31	9.77	23.54	122	21.15	0.70	21.85	222	9.85	12.00	21.85
74- Other Division B With 4% COLA	10.50	28.98	39.48	15.94	23.54	122	27.32	0.70	28.02	222	16.02	12.00	28.02
Public Safety													
Noncontributory Retirement System													
Division A													
42- State With 4% COLA	-	41.35	41.35	18.46	22.89	122	29.84	0.70	30.54	222	18.54	12.00	30.54
43- Other Division A With 2.5% COLA	-	34.04	34.04	11.75	22.29	122	23.13	0.70	23.83	222	11.83	12.00	23.83
75- Other Division A With 4% COLA	-	35.71	35.71	12.91	22.80	122	24.29	0.70	24.99	222	12.99	12.00	24.99
48- Bountiful With 2.5% COLA	-	50.38	50.38	26.89	23.49	122	38.27	0.70	38.97	222	26.97	12.00	38.97
Division B													
44- Salt Lake City With 2.5% COLA	-	46.71	46.71	24.20	22.51	122	35.58	0.70	36.28	222	24.28	12.00	36.28
45- Ogden With 2.5% COLA	-	48.72	48.72	26.30	22.42	122	37.68	0.70	38.38	222	26.38	12.00	38.38
46- Provo With 2.5% COLA	-	42.23	42.23	19.61	22.62	122	30.99	0.70	31.69	222	19.69	12.00	31.69
47- Logan With 2.5% COLA	-	41.97	41.97	19.37	22.60	122	30.75	0.70	31.45	222	19.45	12.00	31.45
49- Other Division B With 2.5% COLA	-	32.28	32.28	9.66	22.62	122	21.04	0.70	21.74	222	9.74	12.00	21.74
76- Other Division B With 4% COLA	-	38.97	38.97	15.94	23.03	122	27.32	0.70	28.02	222	16.02	12.00	28.02
Firefighters' Retirement System													
Division A													
31- Division A	15.05	4.61	19.66	-	19.66	132	11.38	0.70	12.08	232	0.08	12.00	12.08
Division B													
32- Division B	16.71	7.24	23.95	-	23.95	132	11.38	0.70	12.08	232	0.08	12.00	12.08
Judges' Retirement System													
37- Judges' Noncontributory	-	43.75	43.75										

* Does not include the required 1.5% 401(k) contribution.

** Unfunded Actuarial Accrued Liability

1 Public School Districts and Charter School rates are effective September 1, 2019 - August 31, 2020

UTAH COUNTIES INDEMNITY POOL BUDGET

	Audit 2018	Approved 2019	Preliminary 2020
Revenue			
Contributions	\$ 6,124,167	\$ 6,761,783	\$ 6,970,762
Investments	417,661	200,000	315,000
Other	24,208	7,000	15,000
Total Income	6,566,036	6,968,783	7,300,762
Underwriting Expense			
Losses and Loss Adjustments	2,818,293	3,500,000	3,500,000
Reinsurance	1,702,872	1,900,000	1,900,000
Total Underwriting Expenses	4,521,165	5,400,000	5,400,000
Administrative Expense			
Trustees	31,501	55,000	55,000
Depreciation	2,342	3,000	3,000
Risk Management	55,772	70,000	70,000
Public Relations	20,424	22,000	22,000
Office	98,382	90,000	100,000
Financial/Professional	90,543	100,000	100,000
Personnel	695,867	765,000	787,950
Total Administrative Expenses	994,831	1,105,000	1,137,950
Total Operating Expense	5,515,996	6,505,000	6,537,950
Change in Net Position	\$ 1,050,040	\$ 463,783	\$ 762,812



Dear SONYA WHITE,

RE: UTAH COUNTIES INDEMNITY POOL

IMPORTANT PLAN UPDATES – YOUR ACTION NEEDED

This is a follow up request to an options package that you should have previously received concerning your Nationwide Fixed Annuity Contract available in your 457(b) Deferred Compensation Plan. We ask that you please review the attached information and respond by the requested date of June 26, 2019.

Nationwide works to help employees save with confidence. Our goal is to help America's workers prepare for and live in retirement. One of the ways we work to achieve this goal is by periodically evaluating our suite of products, tools and resources. These evaluations lead to adjustments which allow for the continued delivery of an *On Your Side*® service experience to you and your participants.

As previously communicated, Nationwide is taking steps to change the Guaranteed Minimum Interest Rate of the Fixed Annuity Contract available in your plan. As a contract holder, you have options. The following packet includes all the steps required to make the necessary changes to your plan.

Next Steps

As part of this change, we are asking you to consider the options outlined in the enclosed *Guaranteed Minimum Interest Rate Change: Explanation of Options*. As Plan Sponsor, you have a responsibility to make decisions on behalf of the entire plan regarding products and features available to your plan participants.

Please take time to review the options and sign and return the required documents to Nationwide. **If you do not select one of the options provided, new contributions will no longer be accepted to your current Fixed Contract.** This includes, but is not limited to, payroll contributions, rollovers, transfers and exchanges. All future contributions will be invested into your plan's Default Investment Alternative Fund.

Questions?

Refer to the enclosed FAQ for more information. If you have additional questions about this change or the options available for the adjustment, please contact our service center at 877-496-1630 or your local Nationwide Retirement Solutions Representative. Our specialists are available Monday through Friday, 8 a.m. to 8 p.m. Eastern time.

Thank you for your partnership as we mutually work to help your participants prepare for and live in retirement.

Sincerely,
Nationwide Retirement Solutions

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NRM-17093AO (05/18)



Guaranteed Minimum Interest Rate Change: Explanation of Options

Please consider your available options before making a selection on the *Guaranteed Minimum Interest Rate Change: Options Form* (the *Options Form*). The *Options Form* and required documents are enclosed. **An option will need to be chosen and sent in to prevent your current fixed fund from being closed to future contributions, including rollovers, transfers and exchanges.**

1) Option One

Your contract is amended to lower the Guaranteed Minimum Interest Rate annually on the following schedule:

2019	2020	2021	2022	2023
3.5%	2.5%	2.0%	1.0%	0.5%

Nationwide commits to limiting the reduction of the Crediting Rate¹ to no more than 0.12% per quarter for the next 12 quarters. The reduction is based on market conditions and investment performance and may be less than 0.12%, which is the maximum per quarter as illustrated in the following table:

	GMIR	Minimum Gross Crediting Rate	Exchange/Transfer Limit
Q2 2020	2.50%	3.38%	20% annual
Q3 2020	2.50%	3.26%	20% annual
Q4 2020	2.50%	3.14%	20% annual
Q1 2021	2.00%	3.02%	20% annual

2) Option Two

The contract is amended to lower the Guaranteed Minimum Interest Rate annually on the same schedule shown in Option One. Additionally, the annual per participant exchange and transfer limit is also increased from 20% to 40%.

Nationwide commits to limiting the reduction of the Crediting Rate¹ to no more than 0.12% for the next 12 quarters. However, because of the increased exchange and transfer limit, the Crediting Rate under this option will be 0.10% less per quarter than under Option One, as illustrated in the following table:

	GMIR	Minimum Gross Crediting Rate	Exchange/Transfer Limit
Q2 2020	2.50%	3.28%	40% annual
Q3 2020	2.50%	3.16%	40% annual
Q4 2020	2.50%	3.04%	40% annual
Q1 2021	2.00%	2.92%	40% annual

¹The Crediting Rate is the interest rate credited as an annual effective yield as determined by your Fixed Annuity Contract.

What happens if I don't select an Option?

Default If you do not act on any option, you are electing to place future participant allocations into your existing Default Investment Alternative Fund (DIA), or in the most conservative investment option in the plan's core fund line up if a DIA does not exist. Subsequently, if your participants do not elect a new investment to replace the Fixed Annuity Contract option, the DIA will be used for future contributions that would have otherwise been allocated into the Fixed Annuity Contract. Your plan's current fund lineup can be viewed online at www.nrsforu.com/plansponsor. The participants will be notified of the change so that they may have the opportunity to change their allocation.

Important Note: *Please see the notice below on how plans that offer ProAccount Managed Account Services, provided by Nationwide Investment Advisors, will be affected by not choosing an option and defaulting.*

Important notification concerning ProAccount Managed Account Services and the Guaranteed Minimum Interest Rate Changes

If your plan offers Nationwide ProAccount Managed Account Services, please take a moment to read why your option selection is important to ProAccount balances of your participants. By selecting Options 1 or 2 on the enclosed Options Form, there will be no changes to the participant's allocation within ProAccount and your participants will have no disruption to their managed account services.

However, if you do not act on either option, you are electing to place future participant allocations into your existing Default Investment Alternative Fund (DIA), or in the most conservative investment option in the plan's core fund line up if a DIA does not exist. Your plan will no longer have an active Fixed Annuity Contract and ProAccount will no longer have access to the existing balances of the Fixed Assets that are currently under ProAccount management. The Fixed Assets will be held in the participants' account outside of ProAccount at the 3.5% GMIR and will not be open to new contributions. Those participants with ProAccount will no longer have the Fixed Annuity Contract available in their ProAccount allocation and will be invested in other conservative allocation options available in your plan.

Participants who wish to fully incorporate their Nationwide retirement plan assets in professional management can contact Nationwide to move the assets currently invested in the Fixed Annuity Contract into their ProAccount Portfolio. Plan Level Exchange and Transfer contract features will still apply.

Please contact our service center at 877-496-1630 or your local Nationwide Retirement Solutions Representative if you have any questions. Our specialists are available Monday through Friday, 8 a.m. to 8 p.m. Eastern time.



FAQ: Guaranteed Minimum Interest Rate

What is changing?

We're adjusting the Guaranteed Minimum Interest Rate (GMIR) to ensure we can continue offering current and future participants valuable retirement plan solutions. Accordingly, Nationwide must align with the market and gradually reduce the GMIR in our fixed annuity contracts.

What is a Guaranteed Minimum Interest Rate?

The Guaranteed Minimum Interest Rate is the lowest Crediting Rate that Nationwide will credit to participant accounts under the terms of the contract.

What is a Crediting Rate?

The Crediting Rate is the interest rate credited as an annual effective yield to participants that are invested in the fixed annuity on a daily basis. The Crediting Rate is determined on a quarterly basis by Nationwide and is different than the GMIR.

Why is Nationwide making this change now?

As we survey the retirement plans market, we've recognized a need to change a feature of our product suite—the Guaranteed Minimum Interest Rate (GMIR) of the fixed annuity contract available in your plan. Over the past five years, many providers have lowered their GMIRs. During that time, Nationwide did not take any action; however, long-term interest rates have only increased modestly, creating an interest rate environment in which we can no longer offer an above-market crediting rate.

For the last several years, the industry has operated in a consistently low interest rate environment, which has directly impacted the investment returns available in the market. During this time, Nationwide has continued to provide an above-market crediting rate to participants invested in our fixed contract, but now recognizes the need to adjust the GMIR to allow for more market driven crediting rates.

What is the difference between a Crediting Rate and a GMIR?

While the quarterly Crediting Rate may vary depending on market conditions and investment performance, the GMIR is the minimum interest rate established under the Contract. It is meant to act as a floor, meaning regardless of market conditions or investment performance, participants with assets invested in the Contract will not receive a crediting rate that is lower than the GMIR.

What happens when the crediting rate wants to drop below the GMIR but is limited by the guarantee?

Nationwide's goal is to pay a competitive crediting rate to participants. Reducing the Guaranteed Minimum Interest Rate may not have a direct impact on the crediting rate that is paid to the participant. Even though Nationwide will annually step down the Guaranteed Minimum Interest Rate to 0.5%, the crediting rate may change quarterly. And while it may be reduced occasionally due to market conditions or investment performance, it will never drop below the Guaranteed Minimum Interest Rate.

What can I expect from Nationwide?

You can expect Nationwide to continue to offer a competitive crediting rate to your participants. Our goal is to help America's workers prepare for and live in retirement and we will help do this through the products and services that we offer. Nationwide can also provide materials and tools to help communicate this change to affected participants upon request.

What is the exchange and transfer limit under Option 2?

The percentage of the participant's assets invested in the contract which can be exchanged or transferred out of the contract per year will be increased from 20% to 40%, enabling your participants to transfer more money out of their Fixed asset. If the limit is exceeded, no further exchanges or transfers will be permitted until the following year.

When will the change to the GMIR be effective?

The adjustment for any option selected and the default option, if no option is selected, will be effective on 4/1/2020.



Nationwide®
is on your side

Guaranteed Minimum Interest Rate Change: Options Form

Plan Name: UTAH COUNTIES INDEMNITY POOL

Entity Number: 0036786001

Please select only one of the options below, sign the bottom of this page, and return both this Options Form and any required documents by June 26, 2019

☐ **Option One: Crediting Rate**

- Return Signed Options Form
- Return Signed Amendment

☐ **Option Two: Increased Participant Level Exchange and Transfer Limit**

- Return Signed Options Form
- Return Signed Amendment

Please Note: If you do not act, you are electing to place those participant allocations in your existing Default Investment Alternative on file, or in the most conservative investment option in the plan's core fund line up if a DIA does not exist. Participants will be notified of the change so that they may have the opportunity to change their allocation.

The signed documents can be returned to Nationwide in one of three ways:

- Return in the provided envelope
- Scan and email to NRSFORU@nationwide.com
- Fax directly to 1-877-677-4329

For information about each option, please refer to the *Guaranteed Minimum Interest Rate Change: Explanation of Options*.

OPTION 1

Or

OPTION 2

REQUIRED
DOCUMENTS

Plan Sponsor Signature

Date

By signing above, I certify that I have the authority to act on behalf of the Plan and that I have fully reviewed the information provided to me. The unregistered group variable and fixed annuity is issued by, and any guarantees are subject to the claims-paying ability of, Nationwide Life Insurance Company, Columbus, OH.

Nationwide, the Nationwide N and Eagle and Nationwide is on your side are service marks of Nationwide Mutual Insurance Company. © 2018 Nationwide.

PNM-17094AO (05/18)

**NATIONWIDE LIFE INSURANCE COMPANY
ONE NATIONWIDE PLAZA
COLUMBUS, OHIO 43215**

**FIXED ACCOUNT AMENDMENT
to
Group Flexible Purchase Payment Deferred Variable Annuity Contract**

General Information Regarding this Amendment

This Fixed Account Amendment replaces the Fixed Account Endorsement that was previously issued to the Contract Owner and is made a part of the Contract to which it is attached. To the extent the terms of the Contract and this Amendment are inconsistent, the terms of this Amendment shall control the Contract accordingly. Non-defined terms shall have the meaning given to them in the Contract.

WHEREAS, the above-referenced group annuity Contract was issued to the Contract Owner for the benefit of the Participants and their Beneficiaries in the Contract Owner's Plan by Nationwide Life Insurance Company ("Nationwide") along with a Fixed Account Endorsement; and

WHEREAS, Nationwide and the Contract Owner wish to modify the Contract provisions that were added to the Contract through the Fixed Account Endorsement pursuant to the Alteration or Modification section of the Contract,

NOW, THEREFORE, pursuant to the agreement of Nationwide and the Contract Owner, the Contract is hereby modified as follows:

1. The terms and provisions that were added to the Contract through the Fixed Account Endorsement are deleted in their entirety and replaced with the following:

DEFINITIONS

The following definitions are modified in, or added to, the Contract:

Annual Guaranteed Interest Rate - The minimum guaranteed interest rate applied to the Fixed Account for a calendar year. Nationwide determines this rate at its sole discretion.

Contract Value - The combined value of the Variable Account(s) and the Fixed Account.

Exchange - The movement of amounts attributable to Participant Accounts to a Companion Investment Option under the Plan, or from one or more Sub-Accounts of the Variable Account to one or more Sub-Accounts of the Variable Account, or from one or more Sub-Accounts of the Variable Account to the Fixed Account, or from the Fixed Account to a Companion Investment Option under the Plan or to one or more Sub-Accounts of the Variable Account.

Fixed Account - An option funded by Nationwide's general account crediting specified interest rates.

Guaranteed Minimum Fixed Account Interest Rate - A minimum interest rate established under the Contract. All rates under the Contract are guaranteed to be at least as great as the Guaranteed Minimum Fixed Account Interest Rate.

Participant Account Value - The present value of the units and the Fixed Account attributable to a Participant's Account.

Quarterly Guaranteed Interest Rate - The minimum guaranteed interest rate applied to the Fixed Account for a calendar quarter. This rate may be equal to or greater than the applicable Annual Guaranteed Interest Rate. Nationwide determines this rate at its sole discretion.



FIXED ACCOUNT

The following is added to the Contract:

General Information Regarding the Fixed Account

The Fixed Account is an investment option under the Contract offering an Annual Guaranteed Interest Rate and a Quarterly Guaranteed Interest Rate. The Contract also provides a Guaranteed Minimum Fixed Account Interest Rate. Nationwide credits interest to the Fixed Account at these rates that it prospectively declares. At no time will there be an interest rate declared that is lower than the Guaranteed Minimum Fixed Account Interest Rate. Interest rates are determined at the sole discretion of Nationwide, and Nationwide reserves the right to modify the Guaranteed Minimum Fixed Account Interest Rate upon notice to the Contract Owner in accordance with the Alteration and Modification section of the Contract. Nationwide declares all of its rates as annual effective yields. Nationwide reserves the right to discontinue accepting additional Purchase Payments and Transfer and Exchange allocations to the Fixed Account at any time.

Fixed Account guarantees are supported by the general account of Nationwide and are not insured by the FDIC, NCUSIF or any other agency of the Federal government. The Fixed Account is a non-participating option. Allocations to the Fixed Account do not share in any surplus of Nationwide.

Guaranteed Interest Rates

The Guaranteed Minimum Fixed Account Interest Rate for the Contract is listed on the Contract Specifications Page. Nationwide reserves the right to modify the Guaranteed Minimum Fixed Account Interest Rate upon notice to the Contract Owner in accordance with the Alteration or Modification section of the Contract.

No later than the last Business Day of a calendar year, Nationwide declares the Annual Guaranteed Interest Rate for the Fixed Account for the next calendar year. In addition, no later than the last Business Day of a calendar quarter, Nationwide will declare the Quarterly Guaranteed Interest Rate, that is calculated on an annualized basis, to be credited to the Fixed Account for the next calendar quarter.

Crediting Interest to the Fixed Account

Nationwide interest rates are all declared as annual effective yields. An effective yield takes into account the effect of interest compounding. Nationwide credits interest to the Fixed Account on each Business Day. Annual effective yields are converted by Nationwide into a daily interest rate factor. The current Fixed Account value is calculated by taking the daily interest rate factor and multiplying it by the previous Business Day's Fixed Account value. Because interest is credited only on Business Days, interest from multiple non-Business Days (e.g., days falling on a weekend or holidays) accumulate and are credited on the next available Business Day.

Calculating the Fixed Account Value

The Fixed Account value on any given Business Day is equal to:

- (1) total Purchase Payments allocated to the Fixed Account; plus
- (2) The daily interest earned, plus
- (3) Exchanges or Transfers to the Fixed Account, minus
- (4) Exchanges or Transfers out of the Fixed Account; minus
- (5) Withdrawals from the Fixed Account; minus
- (6) Participant Benefit Payments; minus
- (7) any applicable Contract Maintenance Charge, the aggregate Participant Account Charge, charges associated with plan expenses or additional services, additional expense charges, and premium taxes that are applied to Participant Accounts.



Calculating a Participant Account Value in the Fixed Account

A Participant Account Value in the Fixed Account on any given Business Day is equal to:

- (1) total Participant Contributions allocated to the Fixed Account; plus
- (2) the daily interest earned on the Participant's Account; plus
- (3) Exchanges or Transfers to the Fixed Account; minus
- (4) Exchanges or Transfers out of the Fixed Account; minus
- (5) Withdrawals from the Fixed Account; minus
- (6) Participant Benefit Payments; minus
- (7) any applicable Contract Maintenance Charge, the aggregate Participant Account Charge, charges associated with plan expenses or additional services, additional expense charges, and premium taxes that are applied to Participant Accounts.

CONTRACT EXPENSES

The "Contract Expenses" provision of the Contract is amended with the addition of the following.

Unless otherwise mutually agreed to by the Contract Owner and Nationwide, all expenses and charges attributable to the Contract, except the Variable Account Charge, will be deducted proportionally from the Variable Account(s) and the Fixed Account based on the value each account bears to the total Contract Value. Any applicable expenses or charges attributable to a Participant Account will be deducted proportionally and in the same manner.

Premium Taxes

Any applicable premium taxes will be deducted from the Fixed Account in the manner described in the Contract.

EXCHANGES AND TRANSFERS

The following is added to the Contract:

Exchanges and Transfers to and from the Fixed Account

Nationwide will generally accept Exchanges and Transfers to the Contract. Nationwide reserves the right to discontinue accepting Exchanges and Transfers to the Fixed Account at any time.

Exchanges and Transfers out of the Fixed Account are subject to certain limitations. The Contract Owner elects at the time of application to accept a Participant level Exchange and Transfer limitation or an aggregate Contract level Exchange and Transfer limitation. Liquidations of Contract Value via Exchange and Transfer are combined into a single percentage limitation. The type of limitation and percentage limitation are listed on the Contract Specifications Page.

Nationwide, in its sole discretion, may agree not to impose any Exchange or Transfer restrictions. If no such Exchange or Transfer restrictions will be imposed, this will be reflected on the Contract Specifications Page. In the event that Exchange or Transfer restrictions are imposed under the Contract, Nationwide may agree to waive any Exchange and/or Transfer restrictions listed on the Contract Specification Page on Exchanges and Transfers involving Participants actively utilizing asset allocation models or asset allocation services available under the Plan.

All Exchange and Transfer limitations are set, or reset, on a calendar year basis. The permissible Exchange and Transfer amount cannot be rolled from year to year or otherwise "banked" for utilization in subsequent calendar years.



The Contract Owner may request to change the type of Exchange and Transfer limitation for the next calendar year if Nationwide receives, in a form acceptable to Nationwide, the request by at least ninety (90) days prior to the end of the preceding calendar year.

All Exchanges to and from the Fixed Account are done in conjunction with a Companion Investment Option. In order for Nationwide to accept Exchanges to or from a Companion Investment Option, the Contract Owner must identify the Companion Investment Option to Nationwide in writing and Nationwide must agree to accept Exchanges to or from the identified Companion Investment Option. Nationwide may discontinue accepting Exchanges to or from a Companion Investment Option by giving the Contract Owner at least thirty (30) days advance written notice.

In the event the Contract Owner elects to add a Companion Investment Option to the Plan with characteristics in structure, investment time horizon, rate setting, or any other characteristics that could compel on-going Exchanges between the Fixed Account and such Companion Investment Option, the Contract Owner shall provide Nationwide with notice of the addition of such a Companion Investment Option to the Plan at least ninety (90) days prior to the addition of such Companion Investment Option. If such a Companion Investment Option is added to the Plan, then Nationwide may impose an equity wash that prohibits direct Exchanges between the Fixed Account and such Companion Investment Option. Nationwide will notify the Contract Owner in the event an equity wash will be imposed with regard to Exchanges with a Companion Investment Option and the Fixed Account.

Nationwide processes Transfer requests within seven (7) Business Days of the date the request is received and accepted by Nationwide from the Contract Owner on behalf of the Participant, or directly from the Participant if permitted by the Plan. Nationwide may require Transfer requests to be on a form it provides.

Sixty Month Exchange or Transfer Program

If the Contract Owner has elected a Participant level Exchange and Transfer limitation, Nationwide may permit Participants to direct the complete liquidation of amounts attributable to a Participant Account that are allocated to the Fixed Account via a monthly Exchange or Transfer over a period of sixty (60) months. Nationwide may, in its sole discretion, permit the Contract Owner, on behalf of a Participant, to direct the complete liquidation of amounts attributable to a Participant Account that are allocated to the Fixed Account via monthly Exchange or Transfer over a period of sixty (60) months. Any such sixty (60) month Exchange or Transfer shall be subject to the following.

- (1) The amount to be Exchanged each month is equal to the value of the Fixed Account of the Participant Account divided by the number of remaining months until the 60 month Exchange or Transfer program is completed.
- (2) Any additional Participant Contribution, Exchange and/or Transfer to the Fixed Account of a Participant Account where the 60 month Exchange or Transfer program is in effect will result in immediate cancellation of any additional Exchanges or Transfers under this program.
- (3) If the Participant level Exchange limitation (whether the percentage limitation or number of transactions limit) has been met in the calendar year in which the request to initiate the 60 month Exchange or Transfer program is received, Nationwide will reject the request. The request may be made again beginning on the first day of the next calendar year.
- (4) The 60 month Exchange or Transfer program is only available for Participant Account Values of at least \$1,000.



TERMINATION AND WITHDRAWALS

The following is added to the Contract.

Termination

In the event the Contract Owner or Nationwide terminate the Contract, the following will apply to the Fixed Account.

At least thirty (30) days prior to the effective date of termination, the Contract Owner must elect one of the two Withdrawal methods listed below for amounts attributable to the Fixed Account.

- (1) Lump-sum Payment. If the Contract Owner elects to have funds Withdrawn from the Fixed Account in one lump-sum payment, Nationwide will pay to the Contract Owner the Withdrawal Value of amounts attributable to the Fixed Account less a market value adjustment if the present value of amounts attributable to the Withdrawal are less than the present Contract Value of such amounts. The market value adjustment is determined by Nationwide at its sole discretion, but will be done in a manner consistent with making a reasonable approximation of the present value of assets attributable to the Fixed Account. Nationwide will provide the Contract Owner the current procedures it uses to determine the market value adjustment upon request.
- (2) Sixty (60) Monthly Installments. If the Contract Owner elects to have funds Withdrawn from the Fixed Account in sixty (60) monthly installments, Nationwide will begin installment Withdrawals no later than ninety (90) days following the effective date of termination of the Contract, unless otherwise mutually agreed by the Contract Owner and Nationwide. The amount of each installment is determined by the following:

the Fixed Account value on the date before the installment is Withdrawn; divided by

- a) the number of remaining installments.
- b) Fixed Account Withdrawals in addition to installment Withdrawals will not be permitted, nor will any Exchanges or Transfers be permitted.


IN WITNESS WHEREOF, the parties have caused this Amendment to be executed this ____ day of _____, 201__.

APPROVED:

CONTRACT OWNER: _____

NATIONWIDE LIFE INSURANCE
COMPANY:

By: _____

By:  _____



Subject: FW: Increased Cyber Limits

Date: Thursday, June 13, 2019 at 3:51:49 PM Mountain Daylight Time

From: Sonya White <sonya@ucip.utah.gov>

From: "brent.wells@countyre.org" <brent.wells@countyre.org>

Date: Thursday, May 9, 2019 at 7:43 AM

To: Johnnie Miller <jmiller@ucip.utah.gov>

Cc: Breana Lea <breana.lea@countyre.org>, Philip Bell <philip.bell@countyre.org>, Pam Frassinetti <pam.frassinetti@countyre.org>

Subject: RE: Increased Cyber Limits

Hi Johnnie,

The additional premium is only \$5,465 to add \$1M xs \$1M for the remaining members in the pool!
This is the annualized cost, so prorated would be less.

Brent M. Wells, CPCU, ARM, ARe
Underwriting Manager
County Reinsurance, Limited
P: (336) 354-4054
C: (336) 782-8895

*"We deliver responsive reinsurance solutions and
personalized services for our county pool owners."*

UTAH COUNTIES INDEMNITY POOL

BOARD MEETING RULES OF ORDER AND PROCEDURE POLICY

SECTION I. Effective Date and Frequency of Review.

- A. The effective date of this policy is April 19, 2018.
- B. This policy should be reviewed annually, but not less than every three years by the Board. This policy will also be reviewed any time that changes to laws or rules governing the rules of procedure of board meetings of interlocal agencies are amended in a manner which would require review and update to this policy, or when the individual serving as Chair of the Board is changed.
- C. Failure to review this policy in the frequency stated shall not nullify, void, limit or waive this policy or any action taken under this policy.
- D. This policy is considered to be amended at the time any new federal or state law becomes effective which conflicts with this policy, but only to the extent necessary to come into compliance with new law.

SECTION II. Purpose.

- A. This policy outlines the Rules of Procedure of meetings of the Board in accordance with U.C.A. §11-13-404(3)(b)(i) and the UCIP Interlocal Agreement.
- B. The purpose of having formal written rules of procedure is to assure efficiency and compliance in all meetings conducted by the Board.

SECTION III. Authority.

- A. The Board has authority to adopt this policy under the UCIP Interlocal Agreement.

SECTION IV. Applicability and Scope.

- A. This policy applies to all ~~meetings~~Meetings of the Board when acting as a ~~public~~Public ~~body~~Body.
- B. Meetings of the Board will include ~~meetings~~Meetings held in person and electronically. Meetings held electronically will also comply with the policies and procedures identified in the Electronic Meeting Policy of the Board.

SECTION V. Definitions.

- A. “Agenda” means the properly noticed ~~agenda~~list of items for discussion, deliberation or action of a meeting of the Board.

- B. “Board means the UCIP Board of Directors.
- C. “Chair” means the individual conducting a meeting of the UCIP Board of Directors.
- D. “Clerk” means the individual taking the minutes of a meeting of the Board.
- E. “Meeting” means a meeting as defined in OPMA.
- F. “Public Body” has the meaning as defined in OPMA.
- G. “OPMA” means the Utah Open and Public Meetings Act.

SECTION VI. Policy Statements.

- A. These rules of procedure shall be made available to the public at each meeting of the Board and on the UCIP website.
- B. The individual Board member who chairs a meeting of the Board shall assure these rules of procedure are adhered to during the meeting.

SECTION VII. Procedures and Responsibilities.

The Board has adopted a code of conduct for its meetings which follows three basic rules of conduct:

1. Courtesy is required at all times;
2. Discussion of other member’s motives is never allowed; and
3. No one may speak on a motion a second time until everyone who wishes to do so has spoken once.

The following formal rules of procedure shall be used for each meeting of the Board:

- A. The Chair of a meeting of the Board shall call the meeting to order at the time shown in the notice of each such meeting.
- B. The roll of members present shall be called at each meeting and recorded in the minutes.
- C. The Chair shall conduct the meeting in an orderly, efficient and civil manner, and in accordance with all requirements of OPMA.
- D. The Chair shall assure no deliberation or action is taken on an item which was not properly noticed on the agenda.

- E. The Chair shall open each item on the Agenda for discussion, deliberation and/or action, in the order shown on the properly noticed Agenda, unless the order of the Agenda has been modified by action of the Board.
- F. No person attending the Meeting, either in person or through electronic means, shall address the Board until they have been recognized by the Chair. A person recognized shall surrender the floor when asked by the Chair to do so.
- G. The Chair shall not unreasonably refuse to recognize a member of the Board when the Board member requests to be recognized for purposes of discussion or making a motion on an item on the Agenda.
- H. The Chair shall have discretion to recognize staff, invited guests and the public to provide information or answer questions of the Board on items noticed for action or discussion on the agenda. The Chair shall have discretion to limit time provided to staff, invited guests and the public when they are recognized to speak on an item.
- I. A member of the Board who has been recognized by the Chair may make a motion to take action on an item that the Chair has opened for discussion on the Agenda, unless the motion for action is beyond the scope of the properly noticed Agenda item.
- J. The Chair shall solicit a second on a motion made by a member of the Board.
 - 1. If no member of the Board seconds the motion, the Chair shall announce the motion failed for lack of a second.
 - 2. If a motion is made and seconded, the Chair shall solicit further discussion of the Board on the motion.
 - 3. A member of the Board seconding a motion may request a friendly amendment to the motion prior to seconding the motion. If the member of the Board who made the motion agrees to the friendly amendment, the Chair shall move forward with the amended motion.
- K. A friendly amendment may be made by a member of the Board who is not the maker or second of a motion. The Chair shall confirm the maker and second of a motion are in favor of the friendly amendment before the motion is amended.
- L. A motion may not be made by a member of the Board if a motion that has been seconded is pending, to avoid multiple motions being open simultaneously.
- M. If a motion fails for lack of a second, or fails upon a vote of the Board, a new motion may be made by any member of Board on the item, once they have been recognized by the Chair.

- N. A member of the Board who believes further discussion on a motion is not needed may call the question to have a vote taken on the motion.
- O. ~~When the~~The Chair shall call for a vote on the motion when satisfied there is no further discussion on a motion necessary, or the question has been properly called.
 - 1. The Chair shall call for a vote on a motion by repeating or having the Clerk repeat the motion and asking for all those in favor to signify by specific sign, and all those opposed to signify by specific sign.
 - 2. If the vote on a motion is not unanimous, the Chair shall conduct a roll call vote to assure the vote of each member of the Board is documented in the minutes of the meeting.
- P. When all business to be conducted on the Agenda has been completed, the Chair shall solicit, or a member of the Board may offer, a motion to adjourn the meeting. If a second is made on a motion to adjourn, the Chair shall adjourn the meeting without debate.

SECTION VIII. Revision History.

- A. Original Policy Adoption: June 2014
- B. Revised: April 19, 2018
- C. Revised: June 21, 2019

SECTION IX. Appendices.

- A. There are no appendices to this policy.

UTAH COUNTIES INDEMNITY POOL DIRECTOR TRAINING POLICY

SECTION I. Effective Date and Frequency of Review.

- A. The Board originally adopted the Trustee Training Policy on February 16, 2017.
- B. This policy should be reviewed annually, but not less than every three years by the Board. This policy will also be reviewed any time that changes to laws or rules governing the training of board members of interlocal agencies are amended in a manner which would require review and update to this policy.
- C. Failure to review this policy in the frequency stated shall not nullify, void, limit or waive this policy or any action taken under this policy.
- D. This policy is considered to be amended at the time any new federal or state law becomes effective which conflicts with this policy, but only to the extent necessary to come into compliance with new law.

SECTION II. Purpose.

- A. This policy outlines the policy of the Board related to training of Directors.
- B. The purpose of training Directors is to assure each member of the Board is in compliance with all required training, and to provide each Director the necessary knowledge and experience to perform their duties professionally and with fidelity.

SECTION III. Authority.

- A. The Board has authority to adopt this policy under the UCIP Interlocal Agreement.

SECTION IV. Applicability and Scope.

- A. This policy applies to all training provided by UCIP to members of the Board.
- B. Training of Directors will include training provided during meetings of the Board as well as training provided at seminars, workshops and conferences.

SECTION V. Definitions.

- A. “AGRIP” means the Association of Governmental Risk Pools.
- B. “Board” means the UCIP Board of Directors.
- C. “CEO” means the UCIP Chief Executive Officer.

- D. “Clerk” means the appointed Clerk of the Board.
- E. “Director” means a member of the UCIP Board of Directors.
- F. “OPMA” means Utah Open and Public Meeting Act.
- G. “PRIMA” Public Risk Management Association.
- H. “President” means the President of the UCIP Board of Directors.
- I. “UCIP” means the Utah Counties Indemnity Pool.

SECTION VI. Policy Statements.

- A. It is the policy of the Board to provide for training opportunities for Directors to assure compliance with training requirements under state or federal regulation and to provide Directors with the knowledge and experience necessary to perform their duties as a UCIP Director as effectively as possible and with fidelity.

SECTION VII. Procedures and Responsibilities.

- A. As the Board is a public body as defined by the ~~Utah Open and Public Meetings Act (OPMA)~~OPMA, the President is responsible to ~~see that~~provide each member of the Board ~~receive~~ training on the OPMA annually. ~~Each Director shall confirm with the Clerk each June that they have received training on the OPMA either by attending OPMA training at a Board meeting, attending OPMA training provided an entity for which they serve as an elected or appointed official, or completing the Utah Office of the State Auditor on-line OPMA training course.~~
- B. The CEO shall provide annual training on the fiduciary responsibilities of Directors to UCIP. The Clerk will see that each individual Director receives this training within one year of the time they are elected or appointed to the Board, and each term of office thereafter.
- C. Directors shall have the opportunity to receive training on governmental risk pooling and risk management through attendance at conferences held by ~~the Association of Governmental Risk Pools (AGRiP)~~AGRIP and/or ~~the Public Risk Management Association~~ PRIMA. Each Director may attend one conference annually and will be reimbursed the cost of attendance in accordance with the UCIP Expense Reimbursement Policy. Directors may request approval by the Board to attend more than one conference annually. The Board may approve reimbursement of all or a portion of expenses associated with approved attendance by an individual Director at more than one conference annually.

SECTION VIII. Revision History.

- A. Original Policy Adoption: February 16, 2017
- B. Revised: February 15, 2018
- C. Revised: June 21, 2019

SECTION IX. Appendices.

- A. There are no appendices to this policy.

UTAH COUNTIES INDEMNITY POOL GRAMA POLICY

SECTION I. Effective Date and Frequency of Review.

- A. This policy was originally adopted on February 16, 2017 and made effective on that date.
- B. This policy should be reviewed annually, but not less than every three years by the Board. This policy will also be reviewed any time that changes to laws or rules governing access to or management of records of interlocal agencies are amended in a manner which would require review and update to this policy.
- C. Failure to review this policy in the frequency stated shall not nullify, void, limit or waive this policy or any action taken under this policy.
- D. This policy is considered to be amended at the time any new federal or state law becomes effective which conflicts with this policy, but only to the extent necessary to come into compliance with new law.

SECTION II. Purpose.

- A. This policy outlines the policies of the Board related to the classification, maintenance and release of records that are created or maintained by UCIP.

SECTION III. Authority.

- A. The Board has authority to adopt this policy under the UCIP Interlocal Agreement.

SECTION IV. Applicability and Scope.

- A. This policy applies to all records created, stored or maintained by UCIP.
- B. This policy applies to all requests for release of records received in accordance with the Utah Government Records Access Management Act.

SECTION V. Definitions.

- A. “Board” means the UCIP Board of Directors.
- B. “CFO” means the UCIP Chief Financial Officer.
- C. “GRAMA” means the Utah Government Records Access Management Act.

SECTION VI. Policy Statements.

- A. It is the policy of the Board to comply with the Utah Government Records and Access Management Act.

SECTION VII. Procedures and Responsibilities.

- A. The Records Officer, as required and defined by GRAMA, shall be the CFO.
- B. The Chief Administrative Officer, as required and defined by GRAMA, shall be the CEO.
- C. When fees for responding to a GRAMA request are appropriate and allowed under GRAMA, the following fee schedule will be used to determine the fee charged. Fees may be reduced or waived if recommended by the CFO and approved by the Board.

<u>Position Required to Respond</u>	<u>Rate per hour</u>	<u>Copying fee</u>
CFO/Records Officer	\$59.97 <u>66.10</u>	\$0.25
Operations Specialist	\$35.73 <u>41.00</u>	\$0.25

SECTION VIII. Revision History.

- A. Original Policy Adoption: February 16, 2017.
- B. Revised: April 19, 2018.
- C. Revised: June 21, 2019

SECTION IX. Appendices.

- A. There are no appendices to this policy.

UTAH COUNTIES INDEMNITY POOL INVESTMENT POLICY

SECTION I. Effective Date and Frequency of Review.

- A. The Board originally adopted an addendum to the UCIP Bylaws in May, 2003, which was created and maintained by the UCIP Audit Committee, governing the investments of UCIP funds.
- B. This policy shall be reviewed annually by the Board. This policy will also be reviewed any time that changes to laws or rules governing investments of a Utah interlocal agency are amended or recommendations are made by UCIP's Independent Auditors, CEO or CFO which would require review and update to this policy.
- C. Failure to review this policy in the frequency stated shall not nullify, void, limit or waive this policy or any action taken under this policy.
- D. This policy is considered to be amended at the time any new federal or state law becomes effective which conflicts with this policy, but only to the extent necessary to come into compliance with new law.

SECTION II. Purpose.

- A. The purpose of this policy is to assure compliance with all state and federal laws and rules related to the investment of public funds in the state of Utah, including but not limited to the Utah Money Management Act.
- B. It is further the purpose of this policy to assure all investments of UCIP funds are made in a prudent manner to protect such funds in the interest of the members of UCIP and taxpayers of the State of Utah.

SECTION III. Authority.

- A. The Board has authority to adopt this policy under the UCIP Interlocal Agreement.

SECTION IV. Applicability and Scope.

- A. This policy is applicable to all investment of UCIP financial assets. For purposes of this policy, Cash and Cash Equivalents, including funds deposited with the Public Treasurers Investment Fund, are not considered investments.
- B. The financial assets of UCIP shall be accounted for in the Annual Financial Report of UCIP.

SECTION V. Definitions.

- A. “Audit Committee” means the Audit Committee of the Board.
- B. “Board” means the UCIP Board of Directors.
- C. “CEO” means the UCIP Chief Executive Officer.
- D. “CFO” means the UCIP Chief Financial Officer.
- E. “President” means the President of the Board.
- F. “Secretary/Treasurer” means the Secretary/Treasurer of the Board.
- G. “Vice President” means the Vice President of the Board.

SECTION VI. Policy Statements.

- A. It is the policy of the Board to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demand of UCIP and conforming to all federal, state and local laws governing the investment of public funds.

SECTION VII. Procedures and Responsibilities.

- A. Prudence - Investments shall be made with judgement and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise ~~I~~in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
 - 1. The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.
 - 2. Prohibited practices shall include, but not be exclusive to churning, unnecessary transactions and rebating.
- B. Objective – The following objectives shall be in all investment activity:
 - 1. Safety – Safety of principle is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification will be

utilized so potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

2. Liquidity – The investment portfolio will remain sufficiently liquid to enable UCIP to meet all operating requirements which might reasonable be anticipated and documented in the UCIP Annual Operating Budget.
3. Return on Investments – The investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow characteristics of the portfolio.

C. Delegation of Authority – The Board’s authority to manage the investment program is derived from the UCIP Interlocal Agreement and is delegated by the Board under the UCIP Bylaws and this policy.

1. The Audit Committee is charged with making recommendations to the Board of the financial affairs of UCIP and may designate appropriate staff to develop written procedures for the operation of the investment program consistent with this investment policy. Procedures will include reference to:
 - a. Safekeeping;
 - b. PSA Repurchase Agreements;
 - c. Wire Transfer Agreements;
 - d. Banking Service Contracts, including the establishment of a Custodial Bank Agreement;
 - e. Collateral/Depository Agreements; and
 - f. Investment Advisor Selection and Evaluation.
2. It is the responsibility of the Chair of the Audit Committee, or their designee, to report to the Board all decisions and action taken by the Audit Committee.
3. No person may engage in an investment transaction except as provided under the terms of this policy and procedures established by the Audit Committee. The CFO, under the supervision of the CEO, shall be responsible for daily transactions. More specifically, no funds shall be transferred out of or between the separate accounts at any time, for any reason, without the signature, to approve the transfers, of the CFO and CEO or one of the following, the President, the Vice President or the Secretary/Treasurer. The authorization of the Board officers may be via electronic mail or ~~fax~~facsimile transmittal. All transfers will be submitted for ratification to the Board at the next Board meeting.

4. The Audit Committee may choose to select an Investment Advisor to manage the investment of assets. Those assets would include funds not required by cash flow projections to meet the immediate needs of UCIP. In the event that the Audit Committee decides to select an Investment Advisor, such selection may be made through a formal Request for Qualifications/Request for Proposal process, or, by recommendation of the Audit Committee and CEO and approval of the Board, the CEO may negotiate directly with an Investment Advisor and make recommendation to the Audit Committee and Board to enter into an agreement with an Investment Advisor. Investment Advisors must be certified by the Utah Management Council. The Investment Advisor would be charged with the following responsibilities:
 - a. Adopting an investment philosophy which is compatible with the policies of UCIP as set forth in Paragraph A. above;
 - b. Selecting appropriate investment instruments to implement the designated philosophy;
 - c. Selecting broker/dealers for the purpose of executing investment trades, who meet the requirements set forth in Paragraph E below;
 - d. Executing trades at market prices most advantageous to UCIP;
 - e. Reporting on a regular basis to the Audit Committee on the performance of assets under management as set forth in Paragraph L below;
 - f. Reporting to the Audit Committee in a timely manner, any material changes in the financial or staffing conditions of the management firm.
- D. Ethics and Conflict of Interest – Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Audit Committee, any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of funds, particularly with regard to the time of purchases and sales.
- E. Authorized Financial Dealers and Institutions – The Investment Advisor shall maintain a list of financial institutions desiring and authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of Utah. Broker/dealers must be certified by the Utah Money Management Council. Funds shall be deposited only in a qualified public depository as certified by the Utah Money Management Council.

- F. Authorized and Suitable Investments – UCIP has resolved that its investments be limited to those securities authorized by U.C.A. §51-7-11, 1953 as amended, as that Section pertains to the investment of funds.
- G. Collateralization – Collateralization will be required on two types of investments; certificates of deposit and repurchase agreements and will also be required on checking accounts if there is a balance of over \$100,000 therein. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be one hundred two (102) percent of market value of principal and accrued interest. State law rules for collateralization will be adhered to. Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity retained.
- H. Safekeeping and Custody – All security transactions, including collateral for repurchase agreements, entered into by UCIP shall be conducted on a delivery-versus-payment (DVP) basis. Securities shall be held by a third-party custodian designated by the Audit Committee and evidenced by safekeeping receipts.
- I. Diversification – UCIP will diversify its investments by security type and institution to the degree that such diversification is permitted. Investment in commercial paper, corporate bonds and asset-backed obligations shall not exceed 20 percent of the total assets of UCIP's investments.
- J. Maximum Maturities – To the extent possible, UCIP will attempt to match its investments with anticipated cash flow requirements as determined by the Audit Committee. For funds not specifically matched to cash flow, UCIP will invest in securities not exceeding the terms to maturity as set out in U.C.A. §51-7-11, 1953 as amended. For funds not specifically matched to cash flow, UCIP will invest in securities not exceeding the terms to maturity as set out in U.C.A. §51-7-11, 1953 as amended.
- K. Performance Standards – The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs of UCIP. As ~~UCIP~~UCIP's investment strategy is restricted by U.C.A. §51-7-11, 1953 as amended, the benchmark used by the Audit Committee to determine whether market yields are being achieved shall be the Utah Public Treasurers Investment Fund or other appropriate index as designated annually by the Audit Committee.
- L. Reporting – The CFO is charged with the responsibility of providing a market report on investment activity and returns on a regular basis to the Audit Committee and to the Board on at least an annual basis. This responsibility may be delegated to ~~an the~~ Investment Advisor ~~if one is~~ utilized by UCIP. Reports to the Audit Committee will include, but not be limited to:

- 1. Performance;
- 2. Volatility (as measured by effective duration);
- 3. Interest earnings;
- 4. Number of trades;
- 5. Average maturity;
- 6. Market sector breakdown.

SECTION VIII. Revision History.

- A. Original Adoption: May, 2003
- B. Revised: February 16, 2017
- C. Revised: February 15, 2018
- D. Revised: June 21, 2018

SECTION IX. Appendices.

- A. There are no appendices to this policy.

UTAH COUNTIES INDEMNITY POOL MINUTES, RECORDINGS AND RECORDS OF MEETINGS POLICY

SECTION I. Effective Date and Frequency of Review.

- A. The Board originally adopted the Written Minutes of Open Meetings – Public Records – Recordings of Meetings Policy on April 20, 2017.
- B. This policy should be reviewed annually, but not less than every three years by the Board. This policy will also be reviewed any time that changes to laws or rules governing the minutes, recordings or records of interlocal agencies are amended in a manner which would require review and update to this policy.
- C. Failure to review this policy in the frequency stated shall not nullify, void, limit or waive this policy or any action taken under this policy.
- D. This policy is considered to be amended at the time any new federal or state law becomes effective which conflicts with this policy, but only to the extent necessary to come into compliance with new law.

SECTION II. Purpose.

- A. This policy outlines the policies and procedures of the Board related to written minutes, recordings and public records related to open public meetings of UCIP.

SECTION III. Authority.

- A. The Board has authority to adopt this policy under the UCIP Interlocal Agreement.

SECTION IV. Applicability and Scope.

- A. This policy applies to all “meetings” of UCIP when acting as a “public body” as defined by OPMA.

SECTION V. Definitions.

- A. “Board” means the UCIP Board of Directors.
- B. “OPMA” means the Utah Open and Public Meetings Act.
- C. “Recording” means electronic audio recording of meetings.

SECTION VI. Policy Statements.

- A. It is the policy of the Board to comply with state law regarding written minutes, recordings and public records related to open public meetings.

SECTION VII. Procedures and Responsibilities.

- A. Within three business days after holding an open meeting, an audio recording of the open meeting will be available to the public for listening.
- B. Pending minutes will be available to the public within a reasonable time after holding the open meeting that is the subject of the pending minutes.
- C. Pending minutes will be submitted to the UCIP Board at their next meeting by the Secretary/Treasurer of the Board for changes, additions and approval by majority vote.
- D. Minutes approved by the Board will be presented to the Chair of the Board for signature. Once approved by the Board and signed by the Chair of the Board, those minutes will be the official record of the open meeting that is the subject of the approved minutes.
- E. Within three business days after approving written minutes, the approved minutes and any materials made available to the public at the meeting will be available to the public, and will be placed on both the State Public Notice website, and the UCIP website.
- F. Written minutes or recordings of the open meetings will be maintained in accordance with the UCIP Records Retention Policy.

SECTION VIII. Revision History.

- A. Original Policy Adoption: April 20, 2017
- B. Revised: April 19, 2018
- C. Revised: June 21, 2019

SECTION IX. Appendices.

- A. There are no appendices to this policy.

UTAH COUNTIES INDEMNITY POOL PURCHASING POLICY

SECTION I. Effective Date and Frequency of Review.

- A. The Board originally adopted the Purchasing Policy on August 18, 2016.
- B. This policy should be reviewed annually, but not less than every three years by the Board. This policy will also be reviewed any time that changes to laws or rules governing the purchasing practices of interlocal agencies are amended in a manner which would require review and update to this policy.
- C. Failure to review this policy in the frequency stated shall not nullify, void, limit or waive this policy or any action taken under this policy.
- D. This policy is considered to be amended at the time any new federal or state law becomes effective which conflicts with this policy, but only to the extent necessary to come into compliance with new law.

SECTION II. Purpose.

- A. This policy outlines the policy of the Board related to purchases made using UCIP funds.
- B. The underlying purposes of this policy are to:
 - 1. Ensure fair and equitable treatment of all persons who wish to or do conduct business with UCIP.
 - 2. Provide for the greatest possible economy in UCIP's procurement activities.
 - 3. Foster effective, broad-based competition within the free enterprise system to ensure that UCIP will receive the best possible services or products at the lowest possible prices.

SECTION III. Authority.

- A. The Board has the authority to adopt and amend this policy under the UCIP Interlocal Agreement.

SECTION IV. Applicability and Scope.

- A. This policy applies to all purchases made using UCIP funds.
- B. This policy shall not prevent UCIP from complying with the terms and conditions of any grant, gift, or bequest that is otherwise consistent with law.

- C. When procurement involves the expenditure of federal assistance funds, UCIP shall comply with applicable federal law and regulations.

SECTION V. Definitions.

- A. "Board" means the UCIP Board of Directors.
- B. "Business" means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.
- C. ~~"Change Order" means a written order signed by the purchasing agent, directing the contractor to suspend work or make changes, which the appropriate clauses of the contract authorize the purchasing agent to order without the consent of the contractor or any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.~~
- D. "CEO" means the UCIP Chief Executive Officer.
- E. "CFO" means the UCIP Chief Financial Officer.
- F. "Contract" means any agreement entered into by UCIP for the procurement or disposal of supplies, services, or construction, but shall not mean any policy of insurance, excess insurance or reinsurance, bond, surety or other risk financing instrument.
- G. "Invitation for bids" means all documents, whether attached or incorporated by reference, used for soliciting bids.
- H. "Person" means any business, individual, union, committee, club, other organization, or group of individuals.
- I. "Professional services" means labor, effort or work that requires an elevated degree of specialized knowledge and discretion, including accounting, architecture, construction and design management, engineering, financial services, information technology, insurance brokerage, legal, medical, or underwriting.
- J. "Procurement" means buying, purchasing, renting, leasing, leasing with an option to purchase, or otherwise acquiring any supplies, services, or construction.
- K. "Purchasing Agent" means the CEO or other person duly authorized by the Board to enter into and administer contracts and make written determinations with respect thereto.

- L. "Purchase description" means the words used in a solicitation to describe the supplies, services, or construction to be purchased, and includes specifications attached to or made a part of the solicitation.
- M. "Request for Proposals" or "RFP" means all documents, whether attached or incorporated by reference, used for soliciting proposals.
- N. "Request for Qualifications" or "RFQ" means a document used to solicit information about the qualifications of a person interested in providing services including all other documents attached to that document or incorporated in that document by reference.

SECTION VI. Policy Statements.

- A. All purchases and procurements shall be conducted under the procedures outlined in this policy in a fair and equitable manner.
- B. All purchases and procurements shall be made in a manner providing UCIP the most advantageous terms, conditions, cost and quality of products or services.

SECTION VII. Procedures and Responsibilities.

- A. The CEO shall act in the capacity of Purchasing Agent. The Purchasing Agent shall be responsible to make procurements, solicit bids and proposals, enter into and administer contracts, and make written determinations under this policy. The Purchasing Agent may delegate purchasing authority to the CFO at their discretion.
- B. The following purchases shall not require use of a bidding process:
 - 1. Purchases costing less than \$5,000 in total shall not require bids of any type;
 - 2. Purchases costing more than \$5,000 but less than \$10,000 in total, shall require at least three telephone bids, but shall not require any other type of bid;
 - 3. Purchases under paragraphs 1 and 2 shall not be artificially divided so as to constitute a small purchase;
 - 4. Purchases made through the cooperative purchasing contracts administered by the State Division of Purchasing;
 - 5. Purchases made from a single-source provider as determined by the Purchasing Agent;
 - 6. Purchase of professional services;

7. Purchase of services if the Purchasing Agent opines in writing to the Board that the services are of such a nature, or require being provided in such a nature, as to be best provided by a specific source; or
 8. Purchases required during an emergency, i.e., an eminent threat to the public's health, welfare or safety. However, as much competition as practical should be obtained and such purchases should be limited to amounts necessary to the resolution of the emergency.
- C. All purchases not exempted from the bidding process under paragraphs B,D or E shall be subject to bidding procedures as follows:
1. Contracts shall be awarded by competitive sealed bidding except as otherwise provided by this policy;
 2. An invitation for bids shall be issued when a contract is to be awarded by competitive sealed bidding. The invitation shall include a purchase description and all contractual terms and conditions applicable to the procurement. Public notice of the invitation for bids shall be given at least 30 days prior to the date set forth therein for the opening of bids. The notice may include publication in a newspaper of general circulation.
 3. Any procurement by sealed bid in excess of \$10,000 shall require a legal notice in a local newspaper of general circulation.
 4. Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the invitation for bids. The amount of each bid and any other relevant information, together with the name of each bidder, shall be recorded. The record and each bid shall be open to public inspection.
 5. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this policy. Bids shall be evaluated based on the requirements set forth in the invitation for bids.
 6. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards or contracts based on such bid mistakes, shall be permitted. After bid opening no changes in bid prices or other provisions of bids prejudicial to the interest of UCIP or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids or to cancel awards or contracts based on bid mistakes shall be supported by a written determination made by the Purchasing Agent.
 7. The contract shall be awarded with reasonable promptness, by written notice, to the lowest bidder whose bid meets the requirements and criteria set forth in the invitation for bids as determined and approved by the Board.

- D. When the Purchasing Agent determines in writing that the use of competitive bidding is either not practicable or not advantageous to UCIP, a contract may be entered into using a competitive proposal process described herein. The competitive proposal process is most appropriately used for professional service type contracts. The following procedures shall be used in the competitive proposal process:
1. Proposals shall be solicited through a Request for Proposals (RFP). Public notice of the RFP shall be given at least 30 days prior to the advertised date of the opening of the proposals.
 2. Proposals shall be opened so as to avoid disclosure of contents to competing offerors during the process of evaluation and negotiation. A register of proposals shall be prepared and shall be open for public inspection after contract award.
 3. The RFP shall state the relative importance of price and other evaluating factors.
 4. Evaluation of proposals shall be conducted by a committee of at least two persons, one of whom shall be the Purchasing Agent, as appointed by the Board.
 5. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors, except to the extent required by law.
 6. Award shall be made to the person whose proposal is determined, in writing, to be most advantageous to UCIP, taking into consideration price and the evaluation factors set forth in the RFP. The contract file shall contain the basis on which the award is made.
- E. When the Purchasing Agent determines in writing that the services to be contracted for are a qualification-based procurement, a contract may be entered into using a Request for Qualifications process described herein. The qualification-based process is most appropriately used for professional services of Brokers or Architect-Engineering services. The following procedures shall be used in the qualification-based process:
1. Qualification-based services should be solicited through a Request for Qualifications (RFQ).
 2. RFQ's should be publicly announced.
 3. Contracts should be negotiated by UCIP based on demonstrated competence at fair and reasonable prices.

- F. When the Purchasing Agent determines it is in the best interest of UCIP to use the competitive RFP process under paragraph D, or the competitive RFQ process under paragraph E, the Purchasing Agent shall notify the Board of such determination before initiating the process. The Board may create an ad-hoc committee to assist the Purchasing Agent in the process of developing, analyzing and making recommendation to the Board regarding such RFP or RFQ.
- G. Determination of non-responsiveness of a bidder or offeror shall be made in writing. The unreasonable failure of a bidder or offeror to promptly supply information in connection with an inquiry with respect to responsiveness may be grounds for a determination of non-responsiveness with respect to the bidder or offeror.
- H. An invitation for bids, a request for proposals, a request for qualification, or other solicitation may be canceled, or any or all bids or proposals may be rejected, in whole or in part, as may be specified in the solicitation, when it is in the best interests of UCIP. The reasons shall be made a part of the contract file.
- I. Any type of contract which will promote the best interests of UCIP may be used, provided that the use of a cost-plus-a-percentage-of-cost contract is prohibited. A cost-reimbursement contract may be used only when a determination is made in writing that such contract is likely to be less costly to UCIP than any other type or that it is impracticable to obtain the supplies, services or construction required except under such a contract.
- J. The following contractual clauses shall be included in all contracts unless an engagement letter is used for professional services, or exception is made by the Board:
 - 1. The unilateral right of UCIP to order, in writing, changes in the work within the scope of the contract and changes in the time of performance of the contract that do not alter the scope of the contract work.
 - 2. Variations occurring between estimated quantities of work in a contract and actual quantities
 - 3. Suspension of work ordered by UCIP.
- K. All specifications or descriptions of services shall seek to promote overall economy and best use for the purposes intended, and encourage competition in satisfying UCIP's needs, and shall not be unduly restrictive. Where practical and reasonable, and within the scope of Utah law, Utah products shall be given preference.
- L. Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or award of a contract may appeal their grievance in the following manner:

1. An aggrieved bidder, offeror or contractor shall submit an appeal with the Purchasing Agent in writing within 5 working days after the aggrieved person knows or should have known of the facts.
 2. The Purchasing Agent shall promptly issue a written decision regarding any grievance, if it is not settled by mutual agreement. The decision shall state that reasons for the action taken and inform the appellant of the right to appeal to the Board.
 3. The appellant shall submit a request for appeal of the Purchasing Agent's decision in writing to the Purchasing Agent within 5 working days of the date of the Purchasing Agent's decision.
 4. The Purchasing Agent shall promptly provide the Board with the request for appeal, along with all relevant information, including the Purchasing Agent's written decision.
 5. The Board shall consider the appeal and shall provide the appellant with a written decision.
 6. The Board shall be the final appeal.
- M. No person involved in making a procurement decision on behalf of UCIP may have personal investments in any business entity which will create a substantial conflict between their private interests and their public duties.
- N. Any person involved in making procurement decisions on behalf of UCIP is subject to discipline up to and including termination if the person asks, receives, or offers to receive any emolument, gratuity, contribution, loan, or reward, or any promise thereof, either for the person's own use or the use or benefit of any other person or organization from any person or organization interested in selling to UCIP.

SECTION VIII. Revision History.

- A. Original Policy Adoption: August 18, 2016
- B. Revised: April 19, 2018
- C. Revised: June 21, 2019

SECTION VIII. Appendices.

- A. There are no appendices to this policy.

UTAH COUNTIES INDEMNITY POOL RECORDS RETENTION POLICY

SECTION I. Effective Date and Frequency of Review.

- A. The Board originally adopted the Records Retention Policy on September 23, 2005.
- B. This policy should be reviewed annually, but not less than every three years by the Board of Directors. This policy will also be reviewed any time that changes to laws or rules governing the scheduling of records of a Utah Interlocal Agency are amended or recommendations are made by the UCIP CEO or CFO, which would require review and update to this policy.
- C. Failure to review this policy in the frequency stated shall not nullify, void, limit or waive this policy or any action taken under this policy.
- D. This policy is considered to be amended at the time any new federal or state law becomes effective which conflicts with this policy, but only to the extent necessary to come into compliance with new law.

SECTION II. Purpose.

- A. The purpose of this policy is to assure compliance with all state laws and rules that document the existence of records, the length of time the records must be maintained, and their final disposition—either destruction or permanent transfer to the State Archives' custody.

SECTION III. Authority.

- A. The Board has authority to adopt this policy under the UCIP Interlocal Agreement.

SECTION IV. Applicability and Scope.

- A. The PRMA mandates state ownership of government records and requires their effective management and care.
- B. The PRMA establishes the record keeping responsibilities of governmental entities.
- C. This policy is applicable to all UCIP agency-specific records approved by the State Records Committee.

SECTION V. Definitions.

- A. "Board" means the Board of Directors of the Utah Counties Indemnity Pool.

- B. “CAO” means Chief Administrative Officer, a senior executive, designated by the Board to ensure that a sound records management program is implemented throughout the Pool.
- C. “Pool” means the Utah Counties Indemnity Pool.
- D. “PRMA” means the Public Records Management Act.
- E. “Record” means a book, letter, document, paper, map, plan, photograph, film, card, tape, recording, electronic data, or other documentary material regardless of physical form or characteristics that is prepared, owned, received, or retained by a governmental entity or political subdivision; and where all of the information in the original is reproducible by photocopy or other mechanical or electronic means.
- F. “Record Series” means a group of records that can be treated as a unit for purposes of designation, description, management, or disposition.
- G. “Schedule” means the process of specifying the length of time each record series should be retained by a governmental entity for administrative, legal, fiscal, or historical purposes and when each record series should be transferred to the state archive or destroyed.
- H. “UCIP” means the Utah Counties Indemnity Pool.

SECTION VI. Policy Statements.

- A. UCIP will comply with the Public Records Management Act.
- B. UCIP will maintain an agency-specific record series approved by the State Records Committee.

SECTION VII. Procedures and Responsibilities.

- A. Government records cannot be disposed of or destroyed in contravention of a legally approved retention schedule.
- B. UCIP’s CAO submits proposed retention schedules of records for final approval to the State Records Committee.
- C. UCIP’s CAO reports the designation (primary classification) of each record series it maintains to the State Archives.

SECTION VIII. Revision History.

- A. Original Adoption: September 23, 2005
- B. Revised: February 16, 2006

C. Revised: April 18, 2006

D. Revised: June 21, 2019

SECTION IX. Appendices.

A. UCIP Agency-Specific Records Retention Schedule.



JOINT POLICY RECORDS RETENTION

The following establishes categories of records and a records retention policy for UCIP staff to follow in the efficient management of UCIP records. The destruction of any records must be approved in advance by the UCIP Board of Trustees and the Division of State Archives.

Series 26024 – Multiline Claims Records: All records associated with claims made against members and referred to UCIP. All closed claims, with no recorded activity, will be maintained in office for 5 years then transferred to State Records for 15 years. All closed claims with no recorded activity for 20 years may be destroyed.

Series 26025 – Workers’ Compensation Claims Records: Medical only claims with no recorded activity after 5 years may be destroyed. Indemnity claims are to be kept until 3 years after the death of the claimant and then destroyed.

Series 26026 – Coverage Documents or Insurance Policies: Claims-made coverage documents and/or insurance policies will be maintained for 15 years following the expiration of any tail coverage or an extended reporting period and then destroyed.

Series 26121 – Coverage Documents or Insurance Policies: All coverage agreements and/or insurance policies of an occurrence basis will be maintained in perpetuity.

Series 26027 – Underwriting Records, UCIP Coverages: These records are to be maintained for 5 years following the close of an underwriting period and may be transferred to State Records for 10 years then destroyed.

Series 26028 – Underwriting Records, Agency Placements for Members: These records are to be maintained for 5 years following the expiration date of the policy and then destroyed.

Series 26029 – Loss Prevention Records: All loss prevention records will be maintained for 12 years and then destroyed. This will include records of inspections, training, recommendations to members, and activities related to incentive programs.

Series 26105 – Board of Trustee Minutes: These records are minutes of regular and special meeting of the UCIP Board of Trustees. They are used to document the actions and decisions of the Board pursuant to their official duties. All related materials are attached to these minutes. Minutes and supporting materials will be maintained permanently and may be transferred to the State Archives. Tape recordings of the proceedings of regular and special meetings are used to create the official minutes. Tape recordings will be maintained for 1 year after approval of the official minutes and then destroyed. Tape recordings of closed meetings will be maintained indefinitely.

Series 26122 – Personnel Records: UCIP will maintain records of all personnel for 65 years or 3 years after retirement or death, whichever is shorter, then destroyed.

Series 26123 – Audit Records and Financial Records: All financial records will be retained permanently. Records will be maintained in office for 5 years, transferred to the State Records Center for 10 years, and then transferred to State Archives.

Revised 8/13/07

UTAH COUNTIES INDEMNITY POOL AGENCY-SPECIFIC RECORDS RETENTION SCHEDULE

Series 26024—~~Multiline~~ Claims Records

All records associated with claims made against members and referred to UCIP. All closed claims, with no recorded activity, will be maintained in office for ~~5-five~~ years then transferred to State Records for 15 years. All closed claims with no recorded activity for 20 years may be destroyed.

Series 26025—~~Workers' Compensation Claims Records~~

~~Medical only claims with no recorded activity after 5 years may be destroyed. Indemnity claims are to be kept until 3 years after the death of the claimant and then destroyed.~~

Series 26026—Bylaws Coverage ~~Documents~~ Addendum or Insurance Policies:

Claims-made coverage ~~documents~~ addendum and/or insurance policies will be maintained for ~~15-20~~ years following the expiration of any tail coverage or an extended reporting period and then may be destroyed.

Series 26121—Bylaws Coverage ~~Documents~~ Addendums or Insurance Policies:

All coverage ~~agreements~~ addendums and/or insurance policies of an occurrence basis will be ~~maintained in perpetuity~~ retained permanently.

Series 26027—Underwriting Records, UCIP Coverages:

These records are to be maintained for ~~5-five~~ years following the close of an underwriting period and may be transferred to State Records for 10 years then destroyed.

Series 26028—Underwriting Records, Agency Placements for Members:

These records are to be maintained for ~~5-five~~ years following the expiration date of the policy and then destroyed.

Series 26105—Board of ~~Trustee~~ Director Meeting Minutes and Recordings:

These records are minutes of regular and special meeting of the UCIP Board of ~~Trustees~~ Directors. They are used to document the actions and decisions of the Board pursuant to their official duties. All related materials are attached to these minutes. Minutes, ~~and~~ supporting materials and recordings will be maintained permanently and may be transferred to the State Archives. ~~Tape recordings of the proceedings of regular and special meetings are used to create the official minutes. Tape recordings will be maintained for 1 year after approval of the official minutes and then destroyed. Tape recordings of closed meetings will be maintained indefinitely.~~

Series 26122—Personnel ~~Records~~ Files:

~~These records are retained permanently. Inactive personnel files are retained in office for five years following the employee's separation from UCIP and then transferred to State Archives. UCIP will maintain records of all personnel for 65 years or 3 years after retirement or death, whichever is shorter, then destroyed.~~

Series 26123—Audit Records and Financial Records:

All financial records will be retained permanently. Records will be maintained in office for ~~5~~-five years, transferred to the State Records Center for 10 years, and then transferred to State Archives.

UTAH COUNTIES INDEMNITY POOL UNDERWRITING POLICY

SECTION I. Effective Date and Frequency of Review.

- A. The effective date of this policy is June 21, 2019.
- B. This policy should be reviewed annually, but not less than every three years by the Board of Directors.
- C. This policy should also be reviewed at any time that changes to laws or rules governing Liability Reserve Funds are amended or recommendations are made by the UCIP CEO or CFO, which would require review and update to this policy.
- D. Failure to review this policy in the frequency stated shall not nullify, void, limit or waive this policy or any action taken under this policy.
- E. This policy is considered to be amended at the time any new federal or state law becomes effective which conflicts with this policy, but only to the extent necessary to come into compliance with new law.

SECTION II. Purpose.

- A. The purpose of this policy is to establish the Board's policy regarding eligibility of membership, assessing risk associated with the operations of current and prospective Members and the methods used to determine Member contributions to the Pool.

SECTION III. Authority.

- A. The Board has authority to adopt this policy under the UCIP Interlocal Agreement.

SECTION IV. Applicability and Scope.

- A. This policy is applicable to activities of staff related to determining membership eligibility, assessment of risk of current and potential Members and calculation of Member contributions to the Pool.

SECTION V. Definitions.

- A. "Board" means the Board of Directors of the Utah Counties Indemnity Pool.
- B. "Pool" means the Utah Counties Indemnity Pool.
- C. "UCIP" means the Utah Counties Indemnity Pool.

SECTION VI. Policy Statements.

- A. The Board has a fiduciary responsibility to assure adequate contributions are charged based on the risk a Member or prospective Member presents to the Pool to protect the financial wellbeing of UCIP.
- B. The Board recognizes the homogeneity of its membership and believes that the underwriting process should be as simplified as possible to address the need for adequate underwriting of Members and prospective Members, while limiting the amount of time and effort required of Members in providing UCIP with underwriting data.
- C. To maintain stability of costs of contributions of individual Members, individual Member experience will not be utilized in determining contributions to the Pool. Individual Member experience is considered as part of the UCIP Dividend Policy.
- D. The Board believes the cost of Pool Membership should be equitable, therefore all Members will be charged the same rate for similar exposures. No crediting or debiting of rates or contributions is allowed unless special circumstances require such action, which must be approved by action of the Board. This policy statement does not prohibit the development of different rates for Members with specific operations to account for varying risks Members present to the Pool. Membership in the Pool is limited to Utah counties and county related entities that properly enter into the Interlocal Cooperation Agreement.

SECTION VII. Procedures and Responsibilities.

- A. Staff shall develop, maintain and follow the procedures of an Underwriting Manual to assure adherence to this Policy.
- B. The Board shall no later than August 31 of each year adopt rates for the prospective Pool fiscal year based on an actuarial rate study and the recommendation of staff.
- C. Staff shall utilize the rates approved by the Board each year and apply the guidelines of the Underwriting Manual to calculate contribution estimates for each Member for the prospective Pool fiscal year, and provide such estimates to the Members no later than September 30 of each year. Staff shall provide the Board with final Member contribution calculations based on approved rates, Underwriting Manual guidelines and updated Member exposure information no later than December 31 of each year for the Board's final approval of Member contributions in compliance with the UCIP Interlocal Agreement.

SECTION VIII. Revision History.

- A. Adopted:

SECTION IX. Appendices.

- A. UCIP Underwriting Manual

UTAH COUNTIES INDEMNITY POOL UNDERWRITING MANUAL

SECTION I. Effective Date and Frequency of Review.

- A. This policy was originally adopted on June 21, 2019 and made effective on that date.
- B. This policy should be reviewed annually, but not less than every three years by the Board.

SECTION II. Purpose.

- A. To provide procedures and guidelines when compiling and assessing existing and prospective Member exposures in establishing their level of risk.
- B. To Communicate findings to the Pool actuary, reinsurance carriers and in-house claims management specialists.
- C. To establish program costs that protect the Pool's net assets and provide for a stable, financially secure and competitive risk financing structure for Members.

SECTION III. Authority.

- A. The Board has authority to adopt this policy under the UCIP Interlocal Agreement.

SECTION IV. Applicability and Scope.

- A. This policy applies to all records created, stored or maintained by UCIP.
- B. This policy applies to all requests for release of records received in accordance with the Utah Government Records Access Management Act.

SECTION V. Definitions.

- A. "Actual Cash Value" means the amount it would cost to repair or replace covered property, on the date of loss, with material of like kind and quality, with proper deduction for obsolescence and physical depreciation.
- B. "Additional Defense" means that the Pool's reinsurance coverage will pay up to \$1M in defense expenses in addition to the policy limit of \$5M.
- C. "Agreement" means the UCIP Interlocal Cooperation Agreement.

- D. “ATV” means All-Terrain Vehicle, a small motor, off-highway vehicle with three or four wheels that is designed for use on various types of terrain. Also called Utility Vehicle or Utility Task Vehicle (UTV).
- E. “Board” means the UCIP Board of Directors.
- F. “Clash Coverage” provides that the Pool will pay for a loss up to the retention once, for a multi-member occurrence, when the loss exceeds the retention.
- G. “Construction” means buildings under the course of construction, new additions and/or remodel projects. Building value is the total anticipated cost of the project upon completion.
- H. “Contents” means items that are not permanently fixed to a building such as office furniture, filing cabinets, office supplies, small tools and appliances.
- I. “Coordinator” is the Risk Coordinator designated by the Member governing body as the liaison between the Member and the Pool.
- J. “Cost Index” in construction is determined by several factors considered on a nationwide basis, including labor rates and productivity, material prices and the competitive condition of the marketplace.
- K. “Drone” means Unmanned Aircraft System (UAS) or Unmanned Aerial Vehicle (UAV) an aircraft without a human pilot onboard guided by remote control or onboard computer.
- L. “EDP” means Electronic Data Processing equipment such as audio-visual equipment, computers, monitors and printers.
- M. “Excess Insurance” extends the limit of the Pool’s retention.
- N. “Exposure” means the basic unit to evaluate the level of risk and rating.
- O. “Fine Art” means paintings, etchings, pictures, tapestries, rare or art glass, art glass windows, valuable rugs, statuary, sculptures, antique furniture, antique jewelry, bric-a-brac, porcelains and similar property or rarity, historical value or artistic merit excluding automobiles, coins, stamps, furs, jewelry, precious stones, precious metals, watercraft, aircraft, money, securities. Fine Art objects, pairs or sets over \$10,000 in value or any collection of fine art over \$250,000 at any one location must be scheduled with the Pool and are sublimited to the reported value.
- P. “Member” means each of the entities that have entered into the Utah Counties Indemnity Pool Interlocal Cooperation Agreement.

- Q. “Miscellaneous Contents” means items not stored onsite or scheduled at a specific location.
- R. “Mobile Equipment” means non-street licensed equipment such as diggers, earthmovers, farm machinery, forklifts, generators, golf carts, loaders, tractors, snow cats and equipment mounted trailers.
- S. “Motorcycle” means an automotive vehicle with two in-line wheels licensed for use on public roads.
- T. “Pool or UCIP” means the Utah Counties Indemnity Pool.
- U. “Property in the Open” means items not affixed to a building such as fences, light posts and signs.
- V. “Reinsurance” means insurance for other insurance companies. Each reinsurance agreement commits one covering insurer, or reinsurer, to protect against potential losses arising from insurance liabilities issued by the covered insured, or ceding insurer.
- W. “Replacement” means the cost or value as of the date of loss.
- X. “Reproduction” means the cost to repair, rebuild or replace with material of like kind and quality compatible to those originally used, including the cost of skilled labor and/or authentic materials necessary to restore the property as nearly as possible to its original condition.
- Y. “Retention” means the amount specified by the UCIP Board of Directors that will be the maximum paid by the Pool for any one loss.
- Z. “Snowmobile” means an open vehicle for one or two persons with steerable skis on the front and an endless belt at the rear for travel on snow.
- AA. “Terrorism” means that the Pool reinsurance coverage removes acts of terrorism exclusions.
- BB. “Trailer” means unpowered cargo, dump, flat-bed or utility nonautomotive vehicle designed to haul cargo/freight by road.
- CC. “Underwriting” means the evaluation of risk and exposures to determine the amount of coverage needed and the cost of that coverage.
- DD. “UTV” means Utility Task Vehicle, a small two to six-person four-wheel drive off-road vehicle.

- EE. “Vehicle” means street licensed ambulances, automobiles, buses, semi-trucks, sport utility vehicles (SUV), trucks and vans.
- FF. “Watercraft” means any and all water transport vessel 26 feet and under in length.
- GG. “WCF” means WCF Insurance, UCIP joint purchase workers compensation program.

SECTION VI. Policy Statements.

- A. Quality of membership is important to the success of the Pool. Selection of qualified members and continuation of existing Members’ commitment to quality is achieved through the underwriting process of reviewing exposures, loss experience and management.

SECTION VII. Procedures and Responsibilities.

A. Membership Eligibility

1. Membership in the Pool is limited to Utah counties and county related entities that properly enter into the Agreement.
2. Counties and county related entities, including former Members, may be admitted to the Pool after its formation only upon approval of the Board and subject to the conditions set out in the Agreement, these Bylaws and such additional conditions as the Board may from time to time require.
3. County related entities may participate in UCIP as a separate Member pursuant to the following:
 - a. To be eligible as a separate UCIP Member a county related entity must:
 - (i) Have statutory authority to enter into an Interlocal Agreement;
 - (ii) Be able to meet the Member obligations enumerated in the UCIP Interlocal Agreement and Bylaws;
 - (iii) Be sponsored by a participating Member County by resolution of the Member’s governing body; and
 - (iv) Provide services which are beneficial to the sponsoring Member County or county government generally.
 - b. In addition to the requirements of eligibility under 3.a.:
 - (i) A county related entity that is an Interlocal Agency must be organized and operated pursuant to Title 11, Chapter 13 of the

Utah Code, and the Sponsoring Member must be a member of the Interlocal Agency.

- (ii) A county related entity that is a Special Service District must be organized and operated pursuant to Title 17D, Chapter 1 of the Utah Code.
- (iii) A county related entity that is a Local Building Authority or Municipal Building Authority must be organized and operated pursuant to Title 17D, Chapter 2 of the Utah Code.
- (iv) A county related entity that is a Conservation District must be organized and operated pursuant to Title 17D, Chapter 3 of the Utah Code.
- (v) A county related entity that is a Local District must be organized and operated pursuant to Title 17B of the Utah Code, and all members of the Board of the Local District must be appointed by the governing body of the Sponsoring Member.
- (vi) A county related entity that is a Recreation Board must be organized and operated pursuant to Title 11, Chapter 2 of the Utah Code.
- (vii) A county related entity that is a Community Development or Renewal Agency must be organized and operated pursuant to Title 17C, Chapter 1 of the Utah Code.
- (viii) A county related entity that is a County Health District or multi-county Health District must be organized pursuant to Title 26A of the Utah Code.

B. Member Obligations

1. Designate a Risk Coordinator who shall act as the Member's primary contact with the Pool.
2. Allow the Pool, its Chief Executive Officer, agents, contractors, employees and officers reasonable access to all facilities and records of the Member as required for the administration of the Pool and implementation of the Agreement, the Bylaws and policies of the Board.
3. Provide information requested by the Pool, its Chief Executive Officer, and any other agent, contractor, employee or officer of the Pool, as reasonably required for the administration of the Pool.

4. Report to the Pool, in the form and within the time required by the Board, the addition of new programs, facilities and exposures or the significant reduction or expansion of existing programs and facilities covered under the Coverage Addendum of these Bylaws.
 - a. The Board requires rates to be approved in August so that a budget estimate of contribution can be provided to each member in September. Therefore, updated member exposures must be received by Pool management no later than June 30 to begin the underwriting process.

SECTION VIII. Underwriting and Rating Process

A. County Members—Exposure Information Collection

1. Each ATV/UTV: year, make, model, serial number, purchase price, leased/owned, department assigned.
2. Each Construction Project: building use, owner of project, project type, location name, address, construction period, construction type, roof type, number of stories, square footage, building value, funding source, estimated construction cost, project stage, project manager contact information, architect contact information, construction contracts, construction budget, construction schedule, rendering and site plan.
3. Each Drone: year, make model, serial number, weight, purchase price, location stored, description of use, operated under FAA certificate of authority or part 107.
4. Exposures Questions: population, all employee count (including law enforcement), all law enforcement employees, full-time employees (including law enforcement), full-time law enforcement employees, number of EMTs/Paramedics, number of nurses, number of county attorneys, number of deputy county attorneys, number of justice court judges, total revenues (audited reported to the state transparency website or current budgeted), non-owned drones (county facility used as training/testing site), number of jail cells, square footage of jail, health clinic square footage, miles of waterfront, number of piers, number of dams, number of water parks, number of swimming pools, number of skate parks, number of climbing walls, number of amusement parks, number of stadiums, number of fairs, number of fireworks exhibitions, number of zoos.
5. Each Mobile Equipment Unit: year, make, model, serial number, purchase price, leased/owned, department assigned.
6. Each Motorcycle: year, make, model, vehicle identification number (VIN), purchase price, leased/owned, license plate number, department assigned.

7. Estimated Payroll: payroll for upcoming fiscal year estimated by using prior year audited payroll, current year actual payroll and any anticipated payroll increases (see *includable/excludable/overtime guide* appendices number one). Payroll by Utah required classification codes 5509 (road), 7710 (firefighters), 7711 (firefighters-volunteer), 8810 (clerical), 9416 (county). Due to reinsurance underwriting requirements, counties are required to break out the emergency (EMTs and law enforcement) employees from code 9416 (county) and report emergency payroll.
8. Each Property/Building: location name, address, city, county, state, postal code, building value, value affirmed (replacement cost, reproduction value or actual cash value), historical valuation (see National Register of Historic Places for Utah's Counties), contents value, EDP value, fine arts value, miscellaneous contents value, property in the open value, latitude, longitude, year built, year renovated, square footage, number of stories, basement, number of buildings, flood zone, flood policy (NFIP) in place, finished floor elevation, boiler, sprinkler type, security systems, fire alarms, percent of building vacant, year roof built/rebuilt, roof anchorage, roof deck, roof geometry, room pitch, roof covering attachment, roof system covering.

Each Member owned Property/Building is professionally appraised by a certified appraiser on a five-year rotation. The data contained in each qualified appraisal is used to underwrite and rate each Property/Building. Members are responsible to provide location name, address, city, postal code, value affirmation, contents value, EDP value, fine arts value, miscellaneous contents value.

The contracted appraisal firm provides an estimated construction Cost Index percentage, each year, to the Pool. The percent increase/decrease should be applied to each Property/Building that is not scheduled to be appraised. This practice aids in the stability of the Property/Building values increasing/decreasing gradually.

9. Each Snowmobile: year, make, model, serial number, purchase price, leased/owned, department assigned.
10. Each Trailer: year, make, model, vehicle identification number (VIN), purchase price, leased/owned, license plate number, department assigned.
11. Each Vehicle: year, make, model, vehicle identification number (VIN), purchase price, leased/owned, license plate number, department assigned.
12. Each Watercraft: year, make, model, length, serial number, purchase price, description of use, department assigned.

B. County Members—Rating for Pool Retention

UCIP utilizes the expertise of professional actuaries to provide a range of indications needed to cover expected losses and expenses. Based on Member loss experience (limited to UCIP's Retention) actuaries use assumptions, quantitative analysis and professional judgement to estimate the indicated liability and property contributions at an expected level of confidence. Estimates are also provided above the expected level to provide a safety margin. Expected is an average (break-even) level, whereas levels higher may increase surplus.

The actuary provides an indicated rate by line of coverage: automobile liability, general liability, law enforcement liability, public officials liability and property by using the estimated expected level. Past practice of the Pool is to use indicated contributions undiscounted for investment income at a level higher than expected when rating for the Pool's retention. Using the rates provided by the actuary, the Pool formulates each rate to meet the level approved by the Board.

1. Number of Licensed Vehicles used to rate Auto Liability.
2. Number of All Full-Time Employees used to rate General Liability.
 - a. Full-time employees include law enforcement employees.
3. Number of Full-Time Law Enforcement Employees used to rate Law Enforcement Liability.
 - a. Law enforcement employees include: the elected or appointed sheriff, his/her appointed/hired undersheriff, deputy(ies), bailiffs, constables, dispatchers, jailors, youth center attendants and any other law enforcement official, officer, auxiliary officer, employee or volunteer engaged in law enforcement activities for and on behalf of the member.
4. Number of All Full-Time Employees used to rate Public Officials Liability.
5. Statement of Values used to rate Property.
 - a. Purchase price of any and all ATV/UTV, Drones, Mobile Equipment, Motorcycles, Snowmobiles, Trailers, Vehicles and Watercraft.
 - b. Appraised replacement cost of all owned Buildings/Properties including Property in the Open. Actual cash value or reproduction value may be used upon written notice to the Pool from the Member pursuant to the valuation requirements contained in the Bylaws Coverage Addendum.
 - c. The contribution for property is calculated at the total statement of values, divided by \$100, times the rate.
 - d. Members may opt for a higher property deductible.

- (i) The Pool's actuary will provide a deductible factor based on the higher deductible requested by the member.
- (ii) The total statement of values for buildings, property in the open, contents, electronic data processing equipment, contents, fine arts and miscellaneous property will be used to rate the contribution for a higher deductible.
- (iii) The contribution for property, with a higher deductible, is the total statement of values, divided by \$100, times the deductible factor.

6. Audit reported Revenue used to rate Crime.

- a. As defined in the Utah Administrative Services Code, Division of Finance, local government entities are required to participate in reporting public financial information to the Utah Public Finance Website: transparent.utah.gov. One of the types of financial information required is independent audited revenues. UCIP uses the most recent member reported independent audited revenues from the Website for each member to rate for crime coverage. In the event a member has not reported to the Website, UCIP will use the most recent budgeted revenues approved by the member governing body and reported, as required, to the Office of the State Auditor.
- b. The contribution for crime is calculated at the total revenue amount, divided by \$1,000, times the rate.

7. Number of Full-Time Employees used to rate Privacy Security Event Coverage (Cyber Liability).

8. Number of Drones (Unmanned Aircraft System (UAS)).

- a. If a member has a non-owned drone exposure, meaning the member has a training and/or testing site that is owned by the member, then a rate will be determined for general liability purposes.
- b. A rate, using the number of owned drones, will be determined for general liability purposes.

9. An additional rate may be determined for high risk exposures as reported under the exposure questions such as dams, water parks, swimming pools, skate parks, climbing walls, amusement parks, fireworks exhibitions, zoos.

C. County Members—Rating for Reinsurance

1. UCIP is a member of a Pool for Pools to cover catastrophic loss costs in excess of the Pool's retention. Members are directly involved in the negotiation process of purchasing coverage for the reinsurance program at the lowest cost possible. The more detailed exposure data provided to the reinsurance carrier the better the negotiation power to lower cost of reinsurance premiums.
2. Rates determined by the reinsurer are provided to the Pool in November of each year. Because this does not meet the required time-line for the Pool to provide budget estimates to its members, prior year reinsurance rates are used for the underwriting process.
3. The reinsurer provides the Pool with rates based on the number of full-time employees for the following lines of coverage:
 - a. Automobile Liability
 - b. Privacy Security Event (Cyber Liability)
 - c. General Liability
 - d. Public Officials Liability
4. The reinsurer provides the Pool with rates based on the number of full-time law enforcement officers for the following line of coverage:
 - a. Law Enforcement Liability
5. Reinsurance rates change based on each layer of coverage.
6. The reinsurer provides the Pool with rates for property coverage based on the total statement of values.
 - a. Based on earthquake modeling, a rate is provided for counties in a high seismic hazard area.
 - b. Based on earthquake modeling, a rate is provided for counties in a low seismic hazard area.
 - c. The member contribution for property reinsurance is calculated at the total statement of values, divided by \$100, times the rate.
7. The reinsurer charges the Pool a premium for additional coverages requested by the Pool for its members. UCIP calculates a rate for the following coverage based on the total premium charged to procure the coverage from the reinsurance carrier:

- a. Additional Defense
- b. Clash Coverage
- c. Terrorism

The total of the contributions calculated for automobile liability, general liability, law enforcement liability and public officials liability, for each layer of coverage, divided by the reinsurance premium is the rate for each line of coverage.

D. County Members – Rating for Excess Crime Insurance

- 1. UCIP calculates a rate for excess crime coverage based on the total premium charged to procure higher limits of coverage from an insurance market.
- 2. The member contribution for excess crime is calculated at the total member revenue amount, divided by \$1,000, times the rate.

E. County Related Entity Members—Exposure Information Collection

UCIP strives to have continuity, wherein data collected from the county members is also collected from county related entity members, where applicable.

The basis for collecting exposure information for county related entities may vary depending on the services the entity provides.

F. County Related Entity Members—Rating for Pool Retention

- 1. Number of Licensed Vehicles used to rate Auto Liability.
- 2. Number of All Full-Time Employees used to rate General Liability.
 - a. If a county related entity member does not have any full-time employees then UCIP will use the number of executive board members, e.g., president, vice president, secretary, to rate general liability.
 - b. If a county related entity member has less than three full-time employees then UCIP will use the number of executive board members, e.g., president, vice president, secretary, to rate general liability.
- 3. Number of All Full-Time Employees used to rate Public Officials Liability.
 - a. If a county related entity member does not have any full-time employees then UCIP will use the number of executive board members, e.g., president, vice president, secretary, to rate public officials liability.

- b. If a county related entity member has less than three full-time employees then UCIP will use the number of executive board members, e.g., president, vice president, secretary, to rate public officials liability.
- 4. Statement of Values used to rate Property.
 - a. Purchase price of any and all ATV/UTV, Drones, Mobile Equipment, Motorcycles, Snowmobiles, Trailers, Vehicles and Watercraft.
 - b. Appraised replacement cost of all owned Buildings/Properties including Property in the Open. Actual cash value or reproduction value may be used upon written notice to the Pool from the Member pursuant to the valuation requirements contained in the Bylaws Coverage Addendum.
 - c. The contribution for property is calculated at the total statement of values, divided by \$100, times the rate.
 - d. Members may opt for a higher property deductible.
 - (i) The Pool's actuary will provide a deductible factor based on the higher deductible requested by the member.
 - (ii) The total statement of values for buildings, property in the open, contents, electronic data processing equipment, contents, fine arts and miscellaneous property will be used to rate the contribution for a higher deductible.
 - (iii) The contribution for property, with a higher deductible, is the total statement of values, divided by \$100, times the deductible factor.
- 5. Audit reported Revenue used to rate Crime.
 - a. As defined in the Utah Administrative Services Code, Division of Finance, local government entities are required to participate in reporting public financial information to the Utah Public Finance Website: transparent.utah.gov. One of the types of financial information required is independent audited revenues. UCIP uses the most recent member reported independent audited revenues from the Website for each member to rate for crime coverage. In the event a member has not reported to the Website, UCIP will use the most recent budgeted revenues approved by the member governing body and reported, as required, to the Office of the State Auditor.
 - b. The contribution for crime is calculated at the total revenue amount, divided by \$1,000, times the rate.

6. Number of Full-Time Employees used to rate Privacy Security Event Coverage (Cyber Liability).
 - a. If a county related entity member does not have any full-time employees then UCIP will use the number of executive board members, e.g., president, vice president, secretary, to rate privacy security event coverage.
 - b. If a county related entity member has less than three full-time employees then UCIP will use the number of executive board members, e.g., president, vice president, secretary, to rate privacy security event coverage.
7. Number of Drones (Unmanned Aircraft System (UAS)).
 - a. If a member has a non-owned drone exposure, meaning the member has a training and/or testing site that is owned by the member, then a rate will be determined for general liability purposes.
 - b. A rate, using the number of owned drones, will be determined for general liability purposes.
8. An additional rate may be determined for high risk exposures as reported under the exposure questions such as dams, water parks, swimming pools, skate parks, climbing walls, amusement parks, fireworks exhibitions, zoos.

G. County Related Entity Members—Rating for Reinsurance

1. UCIP is a member of a Pool for Pools to cover catastrophic loss costs in excess of the Pool's retention. Members are directly involved in the negotiation process of purchasing coverage for the reinsurance program at the lowest cost possible. The more detailed exposure data provided to the reinsurance carrier the better the negotiation power to lower cost of reinsurance premiums.
2. Rates determined by the reinsurer are provided to the Pool in November of each year. Because this does not meet the required time-line for the Pool to provide budget estimates to its members, prior year reinsurance rates are used for the underwriting process.
3. The reinsurer provides the Pool with rates based on the number of full-time employees for the following lines of coverage:
 - a. Automobile Liability
 - b. Privacy Security Event (Cyber Liability)

- c. General Liability
 - d. Public Officials Liability
- 4. Reinsurance rates change based on each layer of coverage.
- 5. The reinsurer provides the Pool with rates for property coverage based on the total statement of values.
 - a. Based on earthquake modeling, a rate is provided for counties in a high seismic hazard area.
 - b. Based on earthquake modeling, a rate is provided for counties in a low seismic hazard area.
 - c. The member contribution for property reinsurance is calculated at the total statement of values, divided by \$100, times the rate.
- 6. The reinsurer charges the Pool a premium for additional coverages requested by the Pool for its members. UCIP calculates a rate for the following coverage based on the total premium charged to procure the following coverages from the reinsurance carrier:
 - a. Additional Defense
 - b. Clash Coverage
 - c. Terrorism

The total of the contributions calculated for automobile liability, general liability, law enforcement liability and public officials liability, for each layer of coverage, divided by the reinsurance premium is the rate for each line of coverage.

H. County Related Entity Members—Rating for Excess Crime Insurance

- 1. UCIP calculates a rate for excess crime coverage based on the total premium charged to procure higher limits of coverage from an insurance market.
- 2. The member contribution for excess crime is calculated at the total member revenue amount, divided by \$1,000, times the rate.

I. County Related Entity Members—Minimum Contributions

- 1. The total contribution for each member must be \$250 or greater for the Pool Retention. Otherwise, a minimum contribution of \$250 will apply.

2. The reinsurer charges the Pool a minimum premium, per \$1,000,000 of coverage, for smaller entities that do not have a lot of exposures. Those minimums will be applied to county related entity members whose calculated contributions are less than the reinsurance premium minimums.

J. County Related Entity Members—Minimum Liability Limits

1. The minimum liability limits that the Pool will rate county related entity members will be no less than the aggregate limit of an individual award in relation to a single occurrence pursuant to the Governmental Immunity Act of Utah.

SECTION IX. Revision History.

- A. Original Policy Adoption: June 21, 2019.

SECTION X. Appendices.

- A. There are no appendices to this policy.